

COUNTY OF MILWAUKEE  
INTER-OFFICE COMMUNICATION

**DATE:** June 12, 2012

**TO:** Supervisor Michael Mayo, Sr., Chairperson  
Transportation, Public Works & Transit Committee

**FROM:** Frank Busalacchi, Director, Department of Transportation

**SUBJECT:** Public Hearing- Proposed 2012 Program of Transit Projects  
Opening Statement by the Committee Chairperson

**OPENING STATEMENT BY THE CHAIRMAN**

As required by the Federal Transit Administration, the Transportation, Public Works and Transit Committee will now conduct a public hearing on the subject of Milwaukee County's proposed 2012 Program of Federally Assisted Transit Projects.

The program consists of six projects; attachments have been provided for your review. Financial assistance for the six projects will be requested under Section 5307 of the Federal Transit Act, as amended.

Persons wishing to speak here today on these six projects should fill out a witness identification card and return it to the clerk.

Prepared by: Steve Nigh, Transportation Business Manager

Approved by:

  
Frank Busalacchi, Director  
Department of Transportation

NOTICE OF PUBLIC HEARING  
FOR A PROPOSED 2012 PROGRAM OF  
FEDERALLY-ASSISTED TRANSIT PROJECTS  
BY MILWAUKEE COUNTY, WISCONSIN

Notice is hereby given that a public hearing will be held by the Transportation, Public Works and Transit Committee of the Milwaukee County Board of Supervisors on July 11, 2012 at 9:00 a.m. in County Board Committee Room 201-B in the Courthouse, 901 North 9<sup>th</sup> Street, Milwaukee, Wisconsin; for the purpose of considering a proposed program of transit projects for which federal funding assistance, pursuant to Section 5307 of the Federal Transit Act, as amended, is being sought, generally described as follows:

**FEDERAL FUNDING ASSISTANCE AVAILABLE (estimated)**

2012 Apportionment to the Milwaukee Urbanized Area	\$21,055,726
2012 Capital Assistance Available to Washington County	(653,256)
2012 Capital Assistance Available to Ozaukee County	(476,910)
2012 Capital Assistance Available to Waukesha County	(502,180)
2012 Capital Assistance Available to Waukesha Metro	(502,180)
2012 Allocation of Apportionment Available to Milwaukee County	\$18,921,200
Unobligated Balance of Milwaukee County Carryover Funds	<u>0</u>
Total Federal Section 5307 Funds Available to Milwaukee County	\$18,921,200

**PROPOSED 2012 PROGRAM OF TRANSIT PROJECTS FOR MILWAUKEE COUNTY**

<u>Project Description</u>	<u>Local Share</u>	<u>Federal Share</u>	<u>Total</u>
(1) Purchase of Miscellaneous Data Processing Equipment	\$70,000	\$280,000	\$350,000
(2) Purchase of Upgraded Scheduling Software	\$150,000	\$600,000	\$750,000
(3) Tire Leasing Services	\$84,000	\$336,000	\$420,000
(4) Capitalized Vehicle Maintenance Activities	\$3,925,000	\$15,700,000	\$19,625,000
(5) Capital Cost of Contracting for Paratransit Services	\$462,500	\$1,850,000	\$2,312,500
(6) Transit Planning Activities by SEWRPC (local share by SEWRPC)	<u>\$37,500</u>	<u>\$150,000</u>	<u>\$187,500</u>
<b>TOTALS</b>	<b>\$4,729,000</b>	<b>\$18,916,000</b>	<b>\$23,645,000</b>

**Contingency Projects**

Shared Car Program (New Freedom)	\$97,500	\$97,500	\$195,000
Purchase and Installation of a Bus Shelter at S. Kinnickinnic and E. Lincoln Avenues (Transit Enhancement Project)	\$30,000	\$120,000	\$150,000

At the public hearing, Milwaukee County will afford an opportunity for interested persons or agencies to be heard with respect to the social, environmental, and economic aspects of the projects being proposed. Interested persons may submit oral or written evidence or recommendations with respect to said projects. Written materials may also be submitted to the Milwaukee County Department of Transportation - Administration Division, Suite 300, Milwaukee County-City Campus, 2711 West Wells Street, Milwaukee, Wisconsin 53208 before the date of the hearing.

Detailed information on the projects being proposed is currently available for public inspection in the Milwaukee County Department of Transportation - Administration Division, Suite 300, Milwaukee County-City Campus, 2711 West Wells Street.

If there are no changes to the Proposed Program of Transit Projects, notice is hereby given that the preceding Proposed Program will serve as Milwaukee County's 2012 Program of Federally-Assisted Transit Projects.

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**COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION**

**DATE:** June 25, 2012  
**TO:** Michael Mayo, Sr., Chairperson, Transportation, Public Works & Transit Committee  
**FROM:** Frank Busalacchi, Director, Department of Transportation  
**SUBJECT:** MCTS Five-Year Financial Sustainability Analysis

**POLICY**

MCTS periodically provides informational reports to the Committee on transit issues.

**BACKGROUND**

The 2012 adopted transit budget directs Milwaukee Transport Services, Inc. (MTS) and the Transportation Department to create a five-year transit sustainability plan and report the findings to the Committee on Transportation, Public Works and Transit during the July 2012 committee cycle. The attached report is in response to this directive.

In summary, the report includes four models created to assess how potential changes in funding sources can impact the financial stability of transit operations over a five-year period. We discuss the projected financial health of the transit system if certain events were to occur. The first scenario examines how system preservation without additional state operating aid substantially increases tax levy over the five-year study period. The second, third and fourth scenarios examine the degree to which expenses exceed revenues for the transit system as local tax levy remains constant and state operating aid either remains constant, increases or decreases. Key findings from our analysis include:

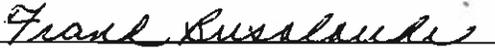
- To sustain 2012 service levels without additional state or federal funding, tax levy support increases from \$19 million to \$48 million by 2017.
- Holding tax levy and state operating aid at 2012 levels over the next five years results in significant reductions in service ranging from a 19 percent to a 29 percent cut in service hours.

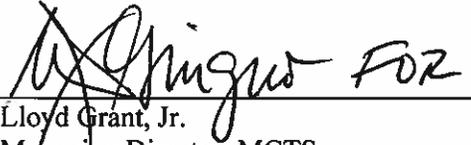
While the report may be viewed largely as a financial modeling exercise, it does provide useful insight into the fact that MCTS is running out of cost cutting options to fill budgetary funding gaps. Consequently, initiatives to improve ridership and generate passenger revenue should be aggressively explored and pursued, particularly to offset sudden and unexpected funding shortfalls caused by shifts in federal or state subsidies for public transportation. Moreover, efforts to secure a dedicated funding source for the transit system should be continued.

RECOMMENDATION

This report is informational only.

Approved by:

  
Frank Busalacchi  
Director, Department of Transportation

  
Lloyd Grant, Jr.  
Managing Director, MCTS

- cc: Chris Abele, Milwaukee County Executive  
Marina Dimitrijevic, Chairwoman, County Board of Supervisors  
Kelly Bablitch, Chief of Staff, County Board of Supervisors  
Amber Moreen, Chief of Staff, Milwaukee County Executive Chris Abele  
John Zapfel, Deputy Chief of Staff, Milwaukee County Executive Chris Abele  
Pat Farley, Director, Department of Administrative Services  
Craig Kammholz, Fiscal and Budget Administrator, Department of Administrative Services  
James Martin, Fiscal and Budget Analyst, Department of Administrative Services  
Debbie Bachun, Director of Finance, Department of Transportation  
Brian Dranzik, Transit Affairs, Department of Transportation

**MILWAUKEE COUNTY TRANSIT SYSTEM:  
FIVE-YEAR FINANCIAL SUSTAINABILITY ANALYSIS  
(2013-2017)**

Prepared by:

Lloyd Grant, Jr., Managing Director  
Herbert Mallinger, Chief Financial Officer  
William Roberts, Assistant Director of Finance  
Milwaukee Transport Services, Inc.

June 25, 2012

# MCTS Five-Year Financial Sustainability Analysis (2013-2017)

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## EXECUTIVE SUMMARY

Despite the fact there is widespread public agreement that the Milwaukee County Transit System (MCTS) is vital to a vibrant and healthy community and the region, the financial health of the transit system varies from one budget year to the next in large part due to changing funding priorities at the state and federal levels and MCTS' lack of a stable long-term funding source. We created four models to assess how potential changes in funding sources can impact the financial stability of transit operations over a five-year period.

This report discusses the projected financial health of the transit system if certain events were to occur. In Scenario One, we examine how system preservation without additional state operating aid substantially increases tax levy over the five-year study period. Scenarios Two, Three and Four examine the degree to which expenses exceed revenues for the transit system as local tax levy remains constant and state operating aid either remains constant, increases or decreases. Key findings from our analysis include:

- To sustain 2012 service levels without additional state or federal funding, tax levy support increases from \$19 million to \$48 million by 2017.
- Holding tax levy and state operating aid at 2012 levels over the next five years results in significant reductions in service ranging from a 19 percent to 29 percent cut in service hours.

While this report may be viewed largely as a financial modeling exercise, it does provide useful insight into the fact that MCTS is running out of cost cutting options to fill budgetary funding gaps. Consequently, initiatives to improve ridership and generate passenger revenue should be aggressively explored and pursued, particularly to offset sudden and unexpected funding shortfalls caused by shifts in federal or state subsidies for public transportation.

## INTRODUCTION

The purpose of this report is to examine the level of funding needed to sustain the transit system over the next five years, if certain events were to occur. While the events illustrated are hypothetical only, they nevertheless provide decision makers with a glimpse of the degree to which change in a critical funding source can negatively impact local property tax levy and service levels.

The Milwaukee County Transit System relies on a combination of federal and state subsidies to fund the cost of operating the transit system. MCTS relies on state funding for about 38 percent of its operating expenses and federal funding for about 16 percent of its operating expenses. Along with passenger fares, MCTS also relies on property tax levy to fund the transit system. Property tax levy comprises about 11 percent of the transit system's operating budget. Change in any of these funding sources can lead to difficult decisions about how to make up or account for the funding needed by the transit system to maintain existing levels of fixed route and demand response services.

This report focuses on four possible funding scenarios and the impact of changes in state funding on existing service levels and local tax levy. Since the State is the largest funding source and has

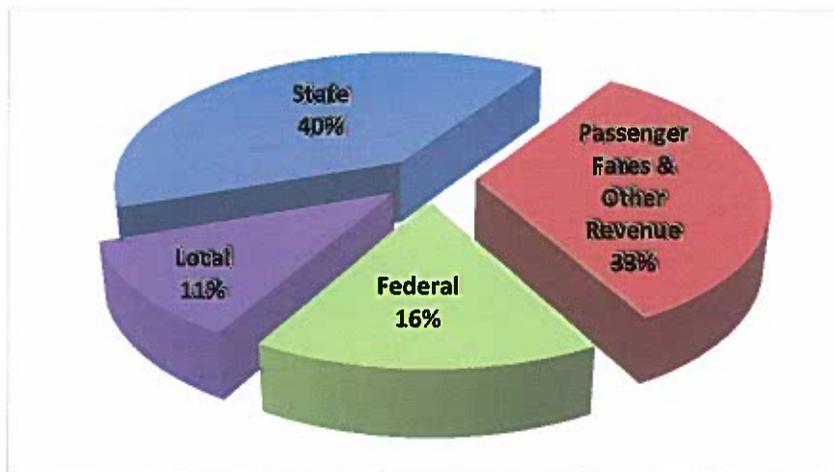
provided the greatest volatility in funding, our models assume reasonable changes in the level of state operating aid. We consider the long term financial outlook if state operating aid remains constant at the 2012 budget level, increases 2 percent annually or decreases 2 percent annually. Emphasis is placed on maintaining property tax levy at the present 2012 level. We also examine the impact on property tax levy to sustain bus hours at the current service level of 1,299,862 hours annually. Major assumptions about other critical funding sources are identified. With the exception of service cuts of the five-year period, no changes are assumed in the other transit policies, such as fare policy.

We begin with an examination of the MCTS operating budget to provide a general basis for discussion where near-term efficiencies might be achieved. We then present our analysis of the financial sustainability of MCTS based on four hypothetical scenarios which we believe are realistic. Our approach is conservative, particularly given uncertainty surrounding reauthorization of a long-term federal surface transportation bill. We conclude with our assessment of past and present opportunities to improve the efficiency of the transit system while placing emphasize on opportunities to increase revenue by increasing ridership through transit oriented development and policy initiatives.

### OVERVIEW OF MILWAUKEE COUNTY TRANSIT SYSTEM OPERATING BUDGET

MCTS relies on a combination of four primary revenue sources: Federal formula aid, state operating aid, county property tax levy, farebox revenue (fares collected from passengers) and other revenue (contracted services and advertising revenue). MCTS' success in capturing 33 percent of funding needed to operate the transit system from passenger revenue is a good indicator that ridership plays a significant part in supporting the system. Chart 1 shows the allocation of each funding source in MCTS' 2012 budget on a percentage basis.

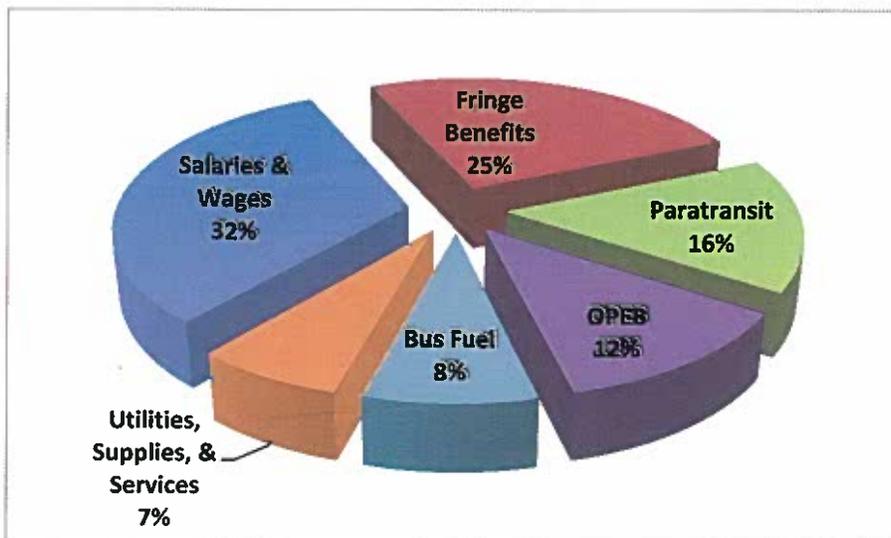
**Chart 1**  
**MCTS 2012 Budget Revenue Sources**



MCTS' 2012 budget is \$169 million of which \$19.1 million is supported by local tax levy. Funding is used for direct and indirect expenses to operate the transit system. Transit operations are controlled by Milwaukee Transport Services, Inc. (MTS), the management contractor for MCTS. Milwaukee County service charges and depreciation are not controlled by MTS. About 95 cents of every dollar spent is controlled by the management contractor for transit operations.

Chart 2 below shows the various components of transit operating expenses. MCTS is a labor driven organization that produces a service. As such, of the 95 cents spent on transit operating expenses, 69 cents is spent on the cost of labor and fringe benefits.

**Chart 2**  
**Detail of Transit Operating Expenses**



## FUNDING SCENARIOS

### SCENARIO ONE FUNDING NEEDS – MAINTAIN 2012 SERVICE LEVEL WITH STATE FUNDING REMAINING CONSTANT

#### Major Assumptions:

- 2.5% annual inflationary increase in fixed route expenses
- 31% decrease in trips in 2013; 2% annual increase in paratransit trips thereafter
- Passenger fares remain constant
- Federal formula funding remains constant
- State operating assistance remains constant

Table 1  
 Operating Expense Projections and Statistics (2013-2017)  
 Assuming State Operating Aid and Service Levels are Held Constant at CY 2012 Levels  
 (000's omitted)

<b>Expenses</b>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Transit Operations	\$ 161,226	\$ 157,484	\$ 161,928	\$ 166,210	\$ 170,608	\$ 175,133
Depreciation	1,789	2,785	2,985	3,185	3,385	3,585
Internal Service Charges	2,766	2,917	2,669	2,722	2,777	2,832
Other	<u>1,046</u>	<u>1,559</u>	<u>1,302</u>	<u>1,260</u>	<u>1,234</u>	<u>1,209</u>
Total	\$ 166,827	\$ 164,745	\$ 168,884	\$ 173,377	\$ 178,004	\$ 182,759
<b>Revenue</b>						
State	\$ 64,804	\$ 64,729	\$ 63,280	\$ 63,280	\$ 63,280	\$ 63,280
Federal	27,025	27,276	19,407	18,700	18,700	18,700
Passenger Fares	45,041	45,448	45,501	45,554	45,608	45,664
Other	<u>10,855</u>	<u>6,092</u>	<u>6,110</u>	<u>6,117</u>	<u>6,544</u>	<u>6,866</u>
Total	\$ 147,725	\$ 143,545	\$ 134,298	\$ 133,651	\$ 134,132	\$ 134,510
<b>Local Share</b>	\$ 19,102	<sup>1</sup> \$ 21,200	\$ 34,586	\$ 39,726	\$ 43,872	\$ 48,249
<b>Local Share - Increase over 2012</b>	\$ -	\$ 2,098	\$ 15,484	\$ 20,624	\$ 24,770	\$ 29,147
<b>Statistics</b>						
Bus Hours	1,300	1,300	1,300	1,300	1,300	1,300
Bus Miles	17,239	17,239	17,239	17,239	17,239	17,239
Revenue Passengers	37,217	39,150	39,150	39,150	39,150	39,150
Paratransit Trips	1,005	693	707	721	735	750

**Outcomes:**

This scenario focuses on system preservation. Service levels in terms of bus hours, bus miles and revenue passengers are assumed to remain constant over the five-year period. No allowance is factored for expected population growth. The scenario highlights the impact of holding state operating assistance constant at CY 2012 levels from CY 2013 through CY 2017. Federal funds from the Congestion Mitigation and Air Quality (CMAQ) program currently being used to support MetroEXpress bus services will be exhausted by February 2014. Available federal funds are therefore expected to decline by \$8 million for the 2014 budget year creating a considerable strain on tax levy in order to preserve the system at 2012 level of bus hours.

To preserve and maintain the 2012 level of bus service hours with no change in state operating aid over the five-year period, the analysis shows that local tax levy increases from \$19,102,000 in 2012 to \$48,249,000 by 2017, a 153 percent increase. As such, local tax levy required to support the transit system gradually increases \$29 million over the five-year period largely due to the annual inflation in fixed route and paratransit expenses, depreciation expense and the loss of federal CMAQ funds.

<sup>1</sup> Estimated for the purpose of this report only; not part of 2013 requested budget.

**SCENARIO TWO FUNDING NEEDS – MAINTAIN 2012 LOCAL TAX LEVY WITH STATE FUNDING REMAINING CONSTANT**

**Major Assumptions:**

- 2.5% annual inflationary increase in fixed route expenses
- 31% decrease in trips in 2013; 2% annual increase in paratransit trips thereafter
- Farebox revenue reduced due to cuts in hours of bus service
- Federal formula funding remains constant
- State operating assistance remains constant

**Table 2**  
**Operating Expense Projections and Statistics (2013-2017)**  
**Assuming State Operating Aid and Tax Levy are Held Constant at CY 2012 Levels**  
**(000's omitted)**

<b>Expenses</b>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Transit Operations	\$ 161,226	\$ 154,904	\$ 142,227	\$ 139,731	\$ 139,107	\$ 138,121
Depreciation	1,789	2,785	2,985	3,185	3,385	3,585
Internal Service Charges	2,766	2,917	2,669	2,722	2,777	2,832
Other	<u>1,046</u>	<u>1,550</u>	<u>1,233</u>	<u>1,168</u>	<u>1,124</u>	<u>1,080</u>
<b>Total</b>	<b>\$ 166,827</b>	<b>\$ 162,156</b>	<b>\$ 149,114</b>	<b>\$ 146,806</b>	<b>\$ 146,393</b>	<b>\$ 145,618</b>
<b>Revenue</b>						
State	\$ 64,804	\$ 64,729	\$ 63,280	\$ 63,280	\$ 63,280	\$ 63,280
Federal	27,025	27,276	18,781	17,552	17,429	17,091
Passenger Fares	45,041	44,957	41,841	40,755	40,038	39,279
Other	<u>10,855</u>	<u>6,092</u>	<u>6,110</u>	<u>6,117</u>	<u>6,544</u>	<u>6,866</u>
<b>Total</b>	<b>\$ 147,725</b>	<b>\$ 143,054</b>	<b>\$ 130,012</b>	<b>\$ 127,704</b>	<b>\$ 127,291</b>	<b>\$ 126,516</b>
<b>Local Share</b>	<b>\$ 19,102</b>					
<b>Statistics</b>						
Bus Hours	1,300	1,260	1,119	10,627	1,025	984
% Decrease from 2012	-	1.9%	13.9%	18.2%	21.2%	24.3%
Revenue Passengers	37,217	38,143	35,289	34,262	33,568	32,834
Paratransit Trips	1,005	693	707	721	735	750

**Outcomes:**

Scenario Two analyzes the impact of holding tax levy and state operating aid constant through year 2017. The end result is a significant cut in bus service over the five-year period. Hours of bus service decrease from 1,300,000 hours in 2012 to 984,000 hours in 2017. This represents a 24.3% reduction in service hours compared to the 2012 adopted budget. Service changes such as reduced frequency of service, limited night and weekend service and elimination of bus routes would need to be considered each budget year as bus hours of service are gradually reduced over the five-year period.

**SCENARIO THREE FUNDING NEEDS – MAINTAIN 2012 LOCAL TAX LEVY WITH STATE FUNDING INCREASING 2 PERCENT ANNUALLY**

Major Assumptions:

- 2.5% annual inflationary increase in fixed route expenses
- 31% decrease in trips in 2013; 2% annual increase in paratransit trips thereafter
- Farebox revenue reduced due to cuts in hours of bus service
- Federal formula funding remains constant
- 2% annual increase in state operating assistance

Table 3  
Operating Expense Projections and Statistics (2013-2017)  
Assuming 2% Annual Increase in State Operating Aid  
and Tax Levy is Held Constant from FY 2012 Levels  
(000's omitted)

<b>Expenses</b>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Transit Operations	\$ 161,226	\$ 154,904	\$ 144,071	\$ 143,427	\$ 144,673	\$ 145,572
Depreciation	1,789	2,785	2,985	3,185	3,385	3,585
Internal Service Charges	2,766	2,917	2,669	2,722	2,777	2,832
Other	<u>1,046</u>	<u>1,550</u>	<u>1,239</u>	<u>1,181</u>	<u>1,143</u>	<u>1,105</u>
Total	\$ 166,827	\$ 162,156	\$ 150,964	\$ 150,515	\$ 151,978	\$ 153,094
<b>Revenue</b>						
State	\$ 64,804	\$ 64,729	\$ 64,546	\$ 65,837	\$ 67,153	\$ 68,496
Federal	27,025	27,276	19,023	18,034	18,157	18,066
Passenger Fares	45,041	44,957	42,183	41,425	41,022	40,564
Other	<u>10,855</u>	<u>6,092</u>	<u>6,110</u>	<u>6,117</u>	<u>6,544</u>	<u>6,866</u>
Total	\$ 147,725	\$ 143,054	\$ 131,862	\$ 131,413	\$ 132,876	\$ 133,992
<b>Local Share</b>	\$ 19,102	\$ 19,102	\$ 19,102	\$ 19,102	\$ 19,102	\$ 19,102
<b>Statistics</b>						
Bus Hours	1,300	1,276	1,136	1,096	1,073	1,048
% Decrease from 2012	-	1.9%	12.6%	15.7%	17.4%	19.4%
Revenue Passengers	37,217	38,143	35,597	34,866	34,454	33,992
Paratransit Trips	1,005	693	707	721	735	750

Outcomes:

Scenario Three also represents a structural funding imbalance between expense and revenues, but to a lesser degree than Scenario Two above. Freezing tax levy and receiving a 2% annual increase in state operating aid results in bus hours of service decreasing from almost 1,300,000 bus hours in the 2012 adopted budget to 1,048,000 hours of bus service in 2017. This represents a 19.4% reduction in service hours compared to the 2012 adopted budget, therefore, the 2% annual increase in state operating aid is not great enough to offset the inflationary increases in transit's annual expenses.

As investment in the transit system decreases by way of service reductions, ridership decreases because service becomes less convenient, wait times for customers increase and some areas are no longer serviced by public transit. Ridership is projected to decrease nearly 9 percent or 3.2 million rides by 2017.

**SCENARIO FOUR FUNDING NEEDS – MAINTAIN 2012 LOCAL TAX LEVY WITH STATE FUNDING DECREASING 2 PERCENT ANNUALLY**

**Major Assumptions:**

- 2.5% annual inflationary increase in fixed route expenses
- 31% decrease in trips in 2013; 2% annual increase in paratransit trips thereafter
- Farebox revenue reduced due to cuts in hours of bus service
- Federal formula funding remains constant
- 2% annual decrease in state operating assistance

**Table 4  
Operating Expense Projections and Statistics (2013-2017)  
Assuming 2% Annual Decrease in State Operating Aid  
and Tax Levy is Held Constant from FY 2012 Levels**

<b>Expenses</b>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Transit Operations	\$ 161,226	\$ 154,904	\$ 140,385	\$ 136,107	\$ 133,759	\$ 131,105
Depreciation	1,789	2,785	2,985	3,185	3,385	3,585
Internal Service Charges	2,766	2,917	2,669	2,722	2,777	2,832
Other	<u>1,046</u>	<u>1,550</u>	<u>1,227</u>	<u>1,155</u>	<u>1,105</u>	<u>1,056</u>
<b>Total</b>	<b>\$ 166,827</b>	<b>\$ 162,156</b>	<b>\$ 147,266</b>	<b>\$ 143,169</b>	<b>\$ 141,026</b>	<b>\$ 138,578</b>
<b>Revenue</b>						
State	\$ 64,804	\$ 64,729	\$ 62,015	\$ 60,775	\$ 59,559	\$ 58,368
Federal	27,025	27,276	18,540	17,077	16,729	16,173
Passenger Fares	45,041	44,957	41,499	40,098	39,092	38,069
Other	<u>10,855</u>	<u>6,092</u>	<u>6,110</u>	<u>6,117</u>	<u>6,544</u>	<u>6,866</u>
<b>Total</b>	<b>\$ 147,725</b>	<b>\$ 143,054</b>	<b>\$ 128,164</b>	<b>\$ 124,067</b>	<b>\$ 121,924</b>	<b>\$ 119,476</b>
<b>Local Share</b>	<b>\$ 19,102</b>					
<b>Statistics</b>						
Bus Hours	1,300	1,276	1,102	1,030	978	925
% Decrease from 2012	-	1.9%	15.2%	20.7%	24.8%	28.9%
Revenue Passengers	37,217	38,143	34,980	33,671	32,716	31,743
Paratransit Trips	1,005	693	707	721	735	750

## Outcomes:

Compared to the previous three scenarios, this scenario represents a worst case structural funding imbalance for the transit system. Freezing tax levy and facing a 2% annual decrease in state operating aid results in the greatest reduction in bus hours of service, decreasing from the nearly 1,300,000 bus hours in the 2012 adopted budget to 925,000 hours of bus service in 2017. This represents a 28.9% reduction in hours of bus service compared to the 2012 adopted budget. Passenger fares collected at the farebox decrease from \$45 million to \$38 million by 2017 as revenue passengers (passenger boardings) decline steadily over the five-year period.

## INDUSTRY APPROACH TO TRANSIT SUSTAINABILITY

Transit agencies across the nation have been struggling with stagnant or declining budgets and escalating costs over the last several years. The industry's trade organization, the American Public Transportation Association (APTA), conducted a survey of transit agencies across the country. The following excerpt is from the August 2011 survey:

“Many transit agencies saw decreases in state and local funding in the past year. In order to survive, agencies have been forced to cut service, raise fares, lay off employees, and implement hiring freezes, among other actions. The actions come even as agencies are expected to serve an increased number of riders.”

117 participants in the survey were asked about actions taken since January of 2010 and actions that agencies anticipate taking in the near future. Results of the survey found that:

- 71 percent of agencies saw flat or decreased local funding and 83 percent saw flat or decreased state funding.
- 51 percent of agencies have already cut service or raised fares.
- Of larger agencies, 71 percent cut service and 50 percent raised fares. This compares to 41 percent of small and mid-size agencies that cut service.
- 75 percent of large agencies reduced the number of positions and 46 percent are laying off employees.

In another survey done in October 2011 by Metro Magazine, two out of three respondents reported that their transit system was facing a budget shortfall. The survey also asked respondents how they have dealt with budget shortfalls. Two-thirds (66 percent) reported that they raised fares. Cuts in service (60 percent), elimination of job positions (51 percent), delayed projects (47 percent), delayed vehicle purchases (33 percent), layoffs (25 percent), wage cuts (12 percent) and wage and hiring freezes, fuel hedging and tapping reserve funds (39 percent) were the methods cited for dealing with funding deficiencies. In addition, more than three-quarters (77 percent) cited advertising as the top choice for generating more revenue. As described in the next section of this report, MCTS has applied all of these approaches with the exception of layoffs that have been largely avoided by attrition as a result of retirements.

In effort to focus on the long-term financial sustainability of the transit system, MCTS conducted research in attempt to ascertain best practices and approaches being used by other transit systems to help insulate their agencies from unexpected funding changes in federal or state subsidies for public transportation. We learned that sustainable transit is defined in different ways by different agencies depending on agency priorities and constraints, and that a wide range of sustainability activities are taking place at different transit agencies. Sustainable transit is most commonly described in the context of a system that (1) affordable, operates efficiently and supports a vibrant economy; and (2) minimizes the use of land and reduces the impact of transit on the environment by more efficient use of energy. The dimensions of a sustainable transit system include a system that is sustainable for the customer, environment and financially viable. While we found an abundance of information on the subject of sustainability strategies such as parking management, improved bus service, and land use management; however, very little information was available on specific outcomes or the results of these strategies.

Our research revealed that financial sustainability is currently described largely in the context of possible policy guidelines for developing and operating a financially sustainable transit system. These include:

- Operate service when and where there is sufficient mass of demand to meet ridership and revenue expectations.
- Design services that maximize customer benefits and increase ridership within existing resources.
- Introduce new services only if fiscally viable.
- Balance service productivity and service coverage.
- Establish performance goals and standards for productivity and effectiveness, and evaluate and adjust service and standards regularly for optimum effectiveness.
- Consider measures to better integrate fares and schedules.

In addition, the American Public Transportation Association has created a Transit Sustainability Guidelines Working Group which developed a broad framework for approaching sustainability practices in the transit industry. Practices identified included (1) integrating transit design and land-use planning; (2) leveraging alignment and route planning to minimize the overall energy consumption of the transit system; (3) controlling emissions and pollution generated by the transit system; and (4) making efficient use of natural resources to provide a healthy environment for working, learning and living.

## MITIGATION OF IMPACT ON SERVICE CUTS & LOST RIDERSHIP

Like other transit systems across the nation, MCTS has made a number of operational changes in the recent past to reduce costs so that service cuts and the resulting negative impact on ridership could be avoided. As stated earlier, passenger revenues play a significant part in supporting transit in Milwaukee County. Passenger revenue accounts for one-third of all revenues for the system and is the second largest funding component after State operating aid. Milwaukee County, which includes the 19 municipalities that MCTS serves, should consider what can be done to develop policies that improves public transit's competitiveness with the automobile to attract more riders and increase cost efficiency. As public use of transit increases per capita, operating efficiency improves as operating expenses are covered by a greater share of passenger fares. Therefore, growth in ridership and passenger revenue can play a key role in the long-term financial sustainability of the transit system. However, promoting and attracting sustained growth in ridership may require investment in a comprehensive analysis of the transit system to understand the existing and potential markets for transit services that will help increase ridership, fare recovery and market share, and chart a targeted course of action to move the system toward the goal of financial sustainability.

MCTS has seen many accomplishments over the past decade in streamlining operating costs and we remain vigilant in our efforts to keep moving the transit system along the path of financial sustainability. We recognize that cuts in service such as reductions in the span of hours of services, reductions in weekend service, or service restructuring should be a last resort when possible because mobility is vital to the community. However, efficiency can be achieved by eliminating or restructuring underperforming (low cost recovery) bus routes.

Going forward, other internal actions that could favorably affect future operating expenses and revenues include: consolidate operating stations; enhance bus stops with user-friendly bus arrival and location tools; add digital advertising on buses; increase the paratransit trip subsidy rate; assess switching from diesel fuel to the less expensive compressed natural gas (CNG) that is abundant in domestic supply; conduct an energy audit for replacement of aging lighting fixtures and improving cost efficiency; and perform printing services for Milwaukee County. In addition, external actions that can move MCTS in the direction of a more sustainable transit system include: reach out to the Congress appointed conferee for Wisconsin to pass a surface transportation bill that supports public transportation and a long-term stable funding source; work with the City of Milwaukee to improve bus service by designating street space for priority use by buses; pursue state legislative action to restore the 10 percent cut in transit operating assistance; maximize federal grant opportunities for operating and capital funding; apply for federal Congestion Mitigation and Air Quality (CMAQ) operating funds to support the third year of MetroExpress service; and pursue state legislative action to secure a long-term dedicated funding source for the transit system.

## CONCLUSION

The financial models in this report are intended to illustrate the magnitude of difficulties that can confront decision makers by changes in critical funding sources that are often times unpredictable. While the scenarios in this report are hypothetical, they illustrate the delicate balance between local tax levy, and state and federal funding necessary to operate and maintain the Milwaukee County Transit System. This report should not be construed as a comprehensive analysis. Instead, it is a starting point for discussion and planning for future transit services that are sustainable both operationally and fiscally.

We conclude that the transit system is operating at a high level of cost efficiency, particularly given the trimming that has been made in the system over more than a decade of cost cutting, cost sharing and downsizing. According to independent past performance audits, MCTS as a system performs above its peers in both productivity and efficiency. However, we recognize that fiscal sustainability requires continual improvement in all operational areas including on-time performance, customer service, system reliability, system productivity (passengers per hour and per mile), system efficiency (cost per passenger) fare policy, service frequency, and transportation policy. We also recognize and acknowledge ongoing efforts by Milwaukee County to secure long-term dedicated funding for the transit system. This report reveals that continuation of these efforts is particularly important given that any change in MCTS' current funding sources can lead to difficult decisions about how to make up or account for the funding needed by the transit system to maintain existing levels of fixed route and demand response services. With that said, we have also considered the question of what else can be done to improve the financial health of the transit system.

Transit riders seek mobility that is reliable (service when I need it), accessible (service where I need it), convenient (good use of my time) and low cost (affordable). These goals are entwined in broader transportation policies such as land use planning, urban design strategies and transportation planning. Transportation policies such as signal preemption and dedicated transit lanes therefore play a key role in the public's use of the transit system, growth in ridership and passenger revenue, and the long-term financial sustainability of the transit system. Therefore, in addition to optimizing system efficiency, maximum use of transit service made available to the public through high ridership and farebox recovery must also be considered to enhance the financial sustainability of transit service and reduce the system's susceptibility to unpredictable changes in state and federal funding.

## APPENDICES

Scenario One Revenue & Expense Detail – Maintain 2012 Service Level with State Funding Remaining Constant

Scenario Two Revenue & Expense Detail – Maintain 2012 Local Tax Levy with State Funding Remaining Constant

Scenario Three Revenue & Expense Detail – Maintain 2012 Local Tax Levy with State Funding Increasing 2 Percent Annually

Scenario Four Revenue & Expense Detail – Maintain 2012 Local Tax Levy with State Funding Decreasing 2 Percent Annually

**Milwaukee County Transit System**  
Scenario One Revenue & Expense Detail  
Maintain 2012 Service Level with State Funding Remaining Constant

<u>Expenses</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contract services	\$ 348,000	\$ 356,000	\$ 364,000	\$ 372,000	\$ 380,000	\$ 388,000
Internal service charges	2,766,000	2,917,000	2,669,000	2,722,000	2,777,000	2,832,000
Tires	420,000	490,000	500,000	510,000	520,000	530,000
Depreciation	1,789,000	2,785,000	2,985,000	3,185,000	3,385,000	3,585,000
Transit operations						
Fixed Route	134,791,000	138,161,000	141,615,000	145,155,000	148,784,000	152,504,000
Paratransit						
PT - Service	21,525,000	15,435,000	16,340,000	16,996,000	17,678,000	18,393,000
PT - Fares	3,671,000	2,618,000	2,671,000	2,724,000	2,778,000	2,834,000
Other	1,239,000	1,270,000	1,302,000	1,335,000	1,368,000	1,402,000
SEWRPC	188,000	188,000	188,000	188,000	188,000	188,000
Major maintenance	90,000	525,000	250,000	190,000	146,000	103,000
New and repl equipment	1,091,000	910,000	398,000	182,000	313,000	238,000
Capital outlay contra	<u>(1,091,000)</u>	<u>(910,000)</u>	<u>(398,000)</u>	<u>(182,000)</u>	<u>(313,000)</u>	<u>(238,000)</u>
Total Expenses	<u>\$ 166,827,000</u>	<u>\$ 164,745,000</u>	<u>\$ 168,884,000</u>	<u>\$ 173,377,000</u>	<u>\$ 178,004,000</u>	<u>\$ 182,759,000</u>
<b><u>Revenue</u></b>						
State						
Operating assistance	64,729,000	64,729,000	63,280,000	63,280,000	63,280,000	63,280,000
Other	75,000	-	-	-	-	-
Federal						
5307 funds	19,309,000	18,700,000	18,700,000	18,700,000	18,700,000	18,700,000
Other	7,716,000	8,576,000	707,000	-	-	-
Passenger fares						
Fixed Route	41,370,000	42,830,000	42,830,000	42,830,000	42,830,000	42,830,000
Paratransit	3,671,000	2,618,000	2,671,000	2,724,000	2,778,000	2,834,000
Other						
Fixed Route	3,577,000	3,647,000	3,617,000	3,689,000	3,762,000	3,836,000
Paratransit	<u>7,278,000</u>	<u>2,445,000</u>	<u>2,493,000</u>	<u>2,428,000</u>	<u>2,782,000</u>	<u>3,030,000</u>
	<u>\$ 147,725,000</u>	<u>\$ 143,545,000</u>	<u>\$ 134,298,000</u>	<u>\$ 133,651,000</u>	<u>\$ 134,132,000</u>	<u>\$ 134,510,000</u>
Local share (net tax levy)	<u>\$ 19,102,000</u>	<u>\$ 21,200,000</u>	<u>\$ 34,586,000</u>	<u>\$ 39,726,000</u>	<u>\$ 43,872,000</u>	<u>\$ 48,249,000</u>
Local Share - Incr over 2012	<u>\$ -</u>	<u>\$ 2,098,000</u>	<u>\$ 15,484,000</u>	<u>\$ 20,624,000</u>	<u>\$ 24,770,000</u>	<u>\$ 29,147,000</u>
<b>Statistics</b>						
Bus hours	1,299,862	1,299,862	1,299,862	1,299,862	1,299,862	1,299,862
Bus miles	17,239,145	17,239,145	17,239,145	17,239,145	17,239,145	17,239,145
Revenue passengers	37,216,700	38,586,000	38,586,000	38,586,000	38,586,000	38,586,000
Paratransit trips	1,004,814	692,834	706,690	720,823	735,239	749,944

**Milwaukee County Transit System**  
Scenario Two - Revenue & Expense Detail  
Maintain 2012 Local Tax Levy with State Funding Remaining Constant

<u>Expenses</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contract services	\$ 348,000	\$ 356,000	\$ 364,000	\$ 372,000	\$ 380,000	\$ 388,000
Internal service charges	2,766,000	2,917,000	2,669,000	2,722,000	2,777,000	2,832,000
Tires	420,000	481,000	431,000	418,000	410,000	401,000
Depreciation	1,789,000	2,785,000	2,985,000	3,185,000	3,385,000	3,585,000
<b>Transit operations</b>						
Fixed Route	134,791,000	135,581,000	121,914,000	118,676,000	117,283,000	115,492,000
Paratransit						
PT - Service	21,525,000	15,435,000	16,340,000	16,996,000	17,678,000	18,393,000
PT - Fares	3,671,000	2,618,000	2,671,000	2,724,000	2,778,000	2,834,000
Other	1,239,000	1,270,000	1,302,000	1,335,000	1,368,000	1,402,000
SEWRPC	188,000	188,000	188,000	188,000	188,000	188,000
Major maintenance	90,000	525,000	250,000	190,000	146,000	103,000
New and repl equipment	1,091,000	910,000	398,000	182,000	313,000	238,000
Capital outlay contra	<u>(1,091,000)</u>	<u>(910,000)</u>	<u>(398,000)</u>	<u>(182,000)</u>	<u>(313,000)</u>	<u>(238,000)</u>
<b>Total Expenses</b>	<b><u>166,827,000</u></b>	<b><u>162,156,000</u></b>	<b><u>149,114,000</u></b>	<b><u>146,806,000</u></b>	<b><u>146,393,000</u></b>	<b><u>145,618,000</u></b>
<b>Revenue</b>						
<b>State</b>						
Operating assistance	64,729,000	64,729,000	63,280,000	63,280,000	63,280,000	63,280,000
Other	75,000	-	-	-	-	-
<b>Federal</b>						
5307 funds	19,309,000	18,700,000	18,074,000	17,552,000	17,429,000	17,091,000
Other	7,716,000	8,576,000	707,000	-	-	-
<b>Passenger fares</b>						
Fixed Route	41,370,000	42,339,000	39,170,000	38,031,000	37,260,000	36,445,000
Paratransit	3,671,000	2,618,000	2,671,000	2,724,000	2,778,000	2,834,000
<b>Other</b>						
Fixed Route	3,577,000	3,647,000	3,617,000	3,689,000	3,762,000	3,836,000
Paratransit	<u>7,278,000</u>	<u>2,445,000</u>	<u>2,493,000</u>	<u>2,428,000</u>	<u>2,782,000</u>	<u>3,030,000</u>
	<u>147,725,000</u>	<u>143,054,000</u>	<u>130,012,000</u>	<u>127,704,000</u>	<u>127,291,000</u>	<u>126,516,000</u>
<b>Local share (net tax levy)</b>	<b><u>\$ 19,102,000</u></b>					
<b>Statistics</b>						
Bus hours	1,299,862	1,275,588	1,119,026	1,062,745	1,024,649	984,394
Annual Service Reduction in Bus Hours		(24,274)	(156,562)	(56,281)	(38,095)	(40,255)
Annual Service Reduction in Dollars		(2,098,000)	(14,012,000)	(5,662,000)	(4,269,000)	(4,715,000)
Reduction in Bus Hours from 2012		(24,274)	(180,836)	(237,117)	(275,213)	(315,468)
% decrease from 2012		1.9%	13.9%	18.2%	21.2%	24.3%
Service Reduction from 2012 (in dollars)		\$ (2,098,000)	\$ (16,110,000)	\$ (21,772,000)	\$ (26,041,000)	\$ (30,756,000)
Revenue passengers	37,216,700	38,143,377	35,288,556	34,262,301	33,567,654	32,833,619
Paratransit trips	1,004,814	692,834	706,690	720,823	735,239	749,944

**Milwaukee County Transit System**  
**Scenario Three Revenue & Expense Detail**  
 Maintain 2012 Local Tax Levy with State Funding Increasing 2 Percent Annually

<u>Expenses</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contract services	\$ 348,000	\$ 356,000	\$ 364,000	\$ 372,000	\$ 380,000	\$ 388,000
Internal service charges	2,766,000	2,917,000	2,669,000	2,722,000	2,777,000	2,832,000
Tires	420,000	481,000	438,000	430,000	429,000	427,000
Depreciation Transit operations	1,789,000	2,785,000	2,985,000	3,185,000	3,385,000	3,585,000
Fixed Route	134,791,000	135,581,000	123,758,000	122,372,000	122,849,000	122,943,000
Paratransit						
PT - Service	21,525,000	15,435,000	16,340,000	16,996,000	17,678,000	18,393,000
PT - Fares	3,671,000	2,618,000	2,671,000	2,724,000	2,778,000	2,834,000
Other	1,239,000	1,270,000	1,302,000	1,335,000	1,368,000	1,402,000
SEWRPC	188,000	188,000	188,000	188,000	188,000	188,000
Major maintenance	90,000	525,000	250,000	190,000	146,000	103,000
New and repl equipment	1,091,000	910,000	398,000	182,000	313,000	238,000
Capital outlay contra	<u>(1,091,000)</u>	<u>(910,000)</u>	<u>(398,000)</u>	<u>(182,000)</u>	<u>(313,000)</u>	<u>(238,000)</u>
Total Expenses	<u>166,827,000</u>	<u>162,156,000</u>	<u>150,965,000</u>	<u>150,514,000</u>	<u>151,978,000</u>	<u>153,095,000</u>
<b>Revenue</b>						
<b>State</b>						
Operating assistance	64,729,000	64,729,000	64,546,000	65,837,000	67,153,000	68,496,000
Other	75,000	-	-	-	-	-
<b>Federal</b>						
5307 funds	19,309,000	18,700,000	18,316,000	18,034,000	18,157,000	18,066,000
Other	7,716,000	8,576,000	707,000	-	-	-
<b>Passenger fares</b>						
Fixed Route	41,370,000	42,339,000	39,512,000	38,701,000	38,244,000	37,730,000
Paratransit	3,671,000	2,618,000	2,671,000	2,724,000	2,778,000	2,834,000
<b>Other</b>						
Fixed Route	3,577,000	3,647,000	3,617,000	3,689,000	3,762,000	3,836,000
Paratransit	<u>7,278,000</u>	<u>2,445,000</u>	<u>2,493,000</u>	<u>2,428,000</u>	<u>2,782,000</u>	<u>3,030,000</u>
	<u>147,725,000</u>	<u>143,054,000</u>	<u>131,862,000</u>	<u>131,413,000</u>	<u>132,876,000</u>	<u>133,992,000</u>
Local share (net tax levy)	<u>\$ 19,102,000</u>					
<b>Statistics</b>						
Bus hours	1,299,862	1,275,588	1,135,953	1,095,842	1,073,275	1,047,896
Annual Service Reduction in Bus Hours		(24,274)	(139,634)	(40,111)	(22,568)	(25,379)
Annual Service Reduction in Dollars		(2,098,000)	(12,504,000)	(4,131,000)	(2,707,000)	(3,125,000)
Reduction in Bus Hours from 2012		(24,274)	(163,909)	(204,020)	(226,587)	(251,966)
% decrease from 2012 Budget		1.9%	12.6%	15.7%	17.4%	19.4%
Service Reduction from 2012 (in dollars)		\$ (2,098,000)	\$ (14,602,000)	\$ (18,733,000)	\$ (21,440,000)	\$ (24,565,000)
Revenue passengers	37,216,700	38,143,377	35,597,218	34,865,816	34,454,311	33,991,540
Paratransit trips	1,004,814	692,834	706,690	720,823	735,239	749,944

**Milwaukee County Transit System**  
**Scenario Four Revenue & Expense Detail**  
 Maintain 2012 Local Tax Levy with State Funding Decreasing 2 Percent Annually

<u>Expenses</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contract services	\$ 348,000	\$ 356,000	\$ 364,000	\$ 372,000	\$ 380,000	\$ 388,000
Internal service charges	2,766,000	2,917,000	2,669,000	2,722,000	2,777,000	2,832,000
Tires	420,000	481,000	425,000	405,000	391,000	376,000
Depreciation	1,789,000	2,785,000	2,985,000	3,185,000	3,385,000	3,585,000
Transit operations						
Fixed Route	134,791,000	135,581,000	120,072,000	115,052,000	111,935,000	108,476,000
Paratransit						
PT - Service	21,525,000	15,435,000	16,340,000	16,996,000	17,678,000	18,393,000
PT - Fares	3,671,000	2,618,000	2,671,000	2,724,000	2,778,000	2,834,000
Other	1,239,000	1,270,000	1,302,000	1,335,000	1,368,000	1,402,000
SEWRPC	188,000	188,000	188,000	188,000	188,000	188,000
Major maintenance	90,000	525,000	250,000	190,000	146,000	103,000
New and repl equipment	1,091,000	910,000	398,000	182,000	313,000	238,000
Capital outlay contra	<u>(1,091,000)</u>	<u>(910,000)</u>	<u>(398,000)</u>	<u>(182,000)</u>	<u>(313,000)</u>	<u>(238,000)</u>
<b>Total Expenses</b>	<b><u>166,827,000</u></b>	<b><u>162,156,000</u></b>	<b><u>147,266,000</u></b>	<b><u>143,169,000</u></b>	<b><u>141,026,000</u></b>	<b><u>138,577,000</u></b>
<b>Revenue</b>						
State						
Operating assistance	64,729,000	64,729,000	62,015,000	60,775,000	59,559,000	58,368,000
Other	75,000	-	-	-	-	-
Federal						
5307 funds	19,309,000	18,700,000	17,833,000	17,077,000	16,729,000	16,173,000
Other	7,716,000	8,576,000	707,000	-	-	-
Passenger fares						
Fixed Route	41,370,000	42,339,000	38,828,000	37,374,000	36,314,000	35,235,000
Paratransit	3,671,000	2,618,000	2,671,000	2,724,000	2,778,000	2,834,000
Other						
Fixed Route	3,577,000	3,647,000	3,617,000	3,689,000	3,762,000	3,836,000
Paratransit	<u>7,278,000</u>	<u>2,445,000</u>	<u>2,493,000</u>	<u>2,428,000</u>	<u>2,782,000</u>	<u>3,030,000</u>
	<u>147,725,000</u>	<u>143,054,000</u>	<u>128,164,000</u>	<u>124,067,000</u>	<u>121,924,000</u>	<u>119,476,000</u>
Local share (net tax levy)	<u>\$ 19,102,000</u>					
<b>Statistics</b>						
Bus hours	1,299,862	1,275,588	1,102,121	1,030,290	977,926	924,595
Annual Service Reduction in Bus Hours		(24,274)	(173,467)	(71,831)	(52,363)	(53,331)
Annual Service Reduction in Dollars		\$ (2,098,000)	\$ (15,518,000)	\$ (7,136,000)	\$ (5,710,000)	\$ (6,124,000)
Reduction in Bus Hours from 2012		(24,274)	(197,741)	(269,572)	(321,936)	(375,267)
% decrease from 2012		1.9%	15.2%	20.7%	24.8%	28.9%
Service reduction from 2012 in Dollars		\$ (2,098,000)	\$ (17,616,000)	\$ (24,752,000)	\$ (30,462,000)	\$ (36,586,000)
Revenue passengers	37,216,700	38,143,377	34,980,304	33,670,504	32,715,687	31,743,218
Paratransit trips	1,004,814	692,834	706,690	720,823	735,239	749,944

**COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION**

**Date:** June 25, 2012

**To:** Supervisor Michael Mayo, Sr., Chairman  
Committee on Transportation, Public Works and Transit

**From:** Julie Esch, Director of Operations, Department of Administrative Services

**Subject:** **Informational Report - Status of the Comprehensive Facilities Plan**

**Background**

At its June 13, 2012 meeting, the Transportation, Public Works and Transit Committee requested an update on the status of the comprehensive facilities plan.

**Status**

Staff representing the County (County team) and the CBRE consultant team had a successful kick-off meeting on Wednesday, June 20, 2012 to discuss the first steps of the plan's development. The initial steps include information gathering for the CBRE team and preparation for stakeholder meetings.

The County team is tasked with providing the CBRE team with VFA (Vanderweil Facilities Assessment) information and façade inspection findings as they pertain to the 25 facilities identified for inclusion in the plan.

The CBRE team will be preparing questions to be used for stakeholder interviews. The County team is identifying the stakeholders and will be providing an initial communication to those stakeholders informing them of the comprehensive facilities plan. The County team is also notifying the appropriate county staff that consultants will be in their facilities for the purpose of gather information for the plan.

A second combined team meeting will be held prior to meeting with stakeholders.

cc: Patrick Farley, Director, Department of Administrative Services  
Chris Abele, County Executive  
Amber Moreen, Chief of Staff, County Executive's Office  
Vince Masterson, Fiscal and Management Analyst  
Gary Waszak, Interim Facilities Management Director  
Greg High, Director of Architectural, Engineering and Environment Services  
Pamela Bryant, Capital Finance Manager  
Justin Rodriguez, Capital Finance Analyst  
Jodi Mapp, Committee Clerk

**COUNTY OF MILWAUKEE**

## INTER-OFFICE COMMUNICATION

DATE: June 25, 2012

TO: Supervisor Marina Dimitrijevic, Chairperson, County Board of Supervisors

FROM: Gregory G. High, Director, AE&ES Section, DAS-FM

SUBJECT: **Acknowledgement of the review of the Milwaukee County Compliance Maintenance Annual Report (CMAR) for 2011**

The Milwaukee County Department of Administration requests that the attached resolution be scheduled for consideration by the Parks Energy and Environment Committee at its meeting to be held on July 17, 2012.

**Policy**

The County is required under the stipulated agreement with the DNR and State Attorney General's Office to file a Compliance Maintenance Annual Report (CMAR) for its wastewater collection system(s) under Wisconsin Code NR 208.

**Background**

Milwaukee County as one of 28 defendants in an enforcement action by the DNR and State Attorney General entered into a stipulated agreement on March 1, 2006. This agreement requires the County to accomplish certain objectives according to an agreed timeframe in order to avoid monetary penalties. Filing an annual Compliance Maintenance Report with the DNR is part of one of the objectives.

NR 208 requires that the "governing body" of the County acknowledge their review of the report and indicate specific actions being taken to bring the County's sanitary sewer collection system into compliance with State statutes.

A copy of the draft CMAR report is attached for reference.

**Conclusion**

A resolution passed by the County Board and signed by the County Executive is needed to fulfill this requirement.

**Recommendation**

The Director of the Department of Administration respectfully recommends that the County Board and County Executive review and adopt the attached resolution in order to satisfy the above noted requirement.

Prepared by: Jill Organ, Project Manager, AE&ES, DAS-FM

Approved By:

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Greg High, P.E., Director  
AE&ES Section, DAS-FM

Enclosures: Fiscal Note Form  
Draft Resolution  
Estimate for 2013 Operating Cost  
Draft CMAR to WDNR

cc: Chris Abele, County Executive  
Gerry Broderick, Supervisor  
Michael Mayo, Sr., Supervisor  
Craig Kammholz, Fiscal and Budget Administrator, DAS  
Vince Masterson, DAS-Fiscal  
Pat Farley, Director, DAS

1 Supervisor Gerry P. Broderick, Chairperson,  
2 From the Committee on Parks, Energy and Environment, reporting on:

3  
4

File No. \_\_\_-\_\_\_

5 (ITEM ) From the Director, Department of Administration, requesting approval of the  
6 required Milwaukee County Compliance Maintenance Annual Report (CMAR) for 2011  
7 for Milwaukee County's wastewater collection system under Wisconsin Code NR 208,  
8 by recommending adoption of the following:

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### A RESOLUTION

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WHEREAS, it is a requirement under a Wisconsin Pollutant Discharge Elimination System (WPDES) permit issued by the Wisconsin Department of Natural Resources to file a Compliance Maintenance Annual Report (CMAR) for Milwaukee County's wastewater collection system under Wisconsin Code NR 208; and

WHEREAS, the county has an extensive system of sanitary sewers serving its many parks, buildings and other facilities; and

WHEREAS, the county is operating under a stipulated agreement with the Wisconsin Department of Natural Resources and State Attorney General's Office to cure problems cited in Claim WI-0047341-03; and

WHEREAS, it is necessary for the county to acknowledge that its governing body has reviewed its annual Compliance Maintenance Annual Report (CMAR); and

WHEREAS, the Committee on Parks, Energy and Environment at its meeting on July 26, 2012, recommended adoption of said request (vote 7-0); now, therefore,

BE IT RESOLVED, that the Milwaukee County Board of Supervisors acknowledges the following Capacity Management, Operation, and Maintenance (CMOM) Program goals identified in the 2011 Compliance Maintenance Annual Report (CMAR):

1. Comply with the conditions of the WPDES permit
2. Minimize the occurrence of preventable overflows
3. Ensure proper O&M is performed on County sewer collection system assets
4. Improve or maintain system reliability
5. Reduce the potential threat to human health from sewer overflows
6. Provide adequate capacity to convey peak flow
7. Manage infiltration and inflow
8. Protect collection system worker health and safety
9. Operate a continuous CMOM Program

## MILWAUKEE COUNTY FISCAL NOTE FORM

**DATE:** 06/20/12

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Compliance Maintenance Annual Report - 2011

**FISCAL EFFECT:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact<br><input type="checkbox"/> Existing Staff Time Required<br><input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below)<br><input checked="" type="checkbox"/> Absorbed Within Agency's Budget<br><input type="checkbox"/> Not Absorbed Within Agency's Budget<br><input type="checkbox"/> Decrease Operating Expenditures<br><input type="checkbox"/> Increase Operating Revenues<br><input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures<br><input type="checkbox"/> Decrease Capital Expenditures<br><input type="checkbox"/> Increase Capital Revenues<br><input type="checkbox"/> Decrease Capital Revenues<br><input type="checkbox"/> Use of contingent funds |
|--|--|

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	Expenditure or Revenue Category	Current Year	Subsequent Year
<b>Operating Budget</b>	Expenditure	175,000	175,000
	Revenue	0	0
	Net Cost	175,000	175,000
<b>Capital Improvement Budget</b>	Expenditure	150,000	150,000
	Revenue	0	0
	Net Cost	150,000	150,000

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.<sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. Our stipulated agreement with the State requires conformance to NR 208 which requires an annual acknowledgement of the County's efforts to manage and maintain its sanitary sewer collection system. This is referred to as a CMAR Report (Compliance Maintenance Annual Report).

B. Milwaukee County has spent approximately 4.3 million dollars on sanitary sewer infrastructure improvements and CMOM (Capacity Management, Operation, and Maintenance) Program activities since 2005. The ongoing inspection, televising, field investigation, mapping, planning, management, and reporting of the sanitary sewer collection systems within the county owned facilities requires an annual operating budget allocation totaling \$175,000 from the departments, as detailed in the attached estimate. The CMOM Program identifies capital improvement projects each year with 2013 work estimated to be \$150,000.

C. The operation and capital budgets for 2012 are sufficient to perform the tasks associated with a continuous CMOM program. We do not expect the annual operational costs to increase in the next five years as we anticipate any inflationary effects to be offset by greater efficiency within AE&ES and the departments. Capital improvement costs will be estimated annually to address infrastructure projects identified in the CMOM Program.

Department/Prepared By Department of Administration: Jill Organ

Recommended By: \_\_\_\_\_

Gregory G. High, Director, AE&ES, DAS-FM

Authorized Signature \_\_\_\_\_

Gregory G. High, Director, AE&ES, DAS-FM

Authorized Signature \_\_\_\_\_

Did DAS-Fiscal Staff Review?  Yes  No

<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

**Milwaukee County Department of Public Works  
Sanitary Sewer Capacity Management, Operation & Maintenance Program  
2013 Departmental Budget Request Recommendations (Created on 5/7/12)**

Description of Work for each department to perform	Percent To Do	Est Cost per Unit	Total all Depts.	Parks		Grounds		Airports		Zoo		H.O.C.		Transit	
Inspect Sanitary Sewer Manholes			1001	482		221		157		87		34		20	
Total Number of Manholes				121	\$9,075.00	55	\$4,125.00	39	\$2,925.00	22	\$1,650.00	9	\$675.00	5	\$375.00
Manholes by Stipulated Agreement	25%	\$75.00													
Cost to Inspect MH															
Cleaning and Televising			199,133	115,200		35,500		26,700		12,000		7,200		2,533	
Total Lineal Feet of Sanitary Sewers			19,913	11,520	\$26,956.80	3,550	\$8,307.00	2,670	\$6,247.80	1,200	\$2,808.00	720	\$1,684.80	253	\$592.02
Estimated Sanitary Sewers to Televising	10%	\$2.34													
Dye Water Testing				2,304	\$2,534.40	710	\$781.00	534	\$587.40	240	\$264.00	144	\$158.40	51	\$56.10
Estimated Sanitary Sewers to Dye Test	2%	\$1.10		2	\$350.00	3	\$525.00	2	\$350.00	1	\$175.00	1	\$175.00	1	\$175.00
Mobilization Setups		\$175.00													
Smoke Testing				2,304	\$1,267.20	710	\$390.50	534	\$293.70	240	\$132.00	144	\$79.20	51	\$28.05
Estimated Sanitary Sewers to Smoke Test	2%	\$0.55		3	\$525.00	1	\$175.00	1	\$175.00	1	\$175.00	1	\$175.00	1	\$175.00
Mobilization Setups		\$175.00													
Field Investigations (based on number of MHs inspected)					\$4,507		\$2,066		\$1,468		\$813		\$318		\$187
Training for MH Inspections (8 hours)					\$0		\$0		\$0		\$0		\$0		\$0
Document Organization & Submittal (based on number of MHs inspected)					\$0		\$0		\$0		\$0		\$0		\$0
CMOM Annual Meetings (2 @ 6 hours ea)					\$0		\$0		\$0		\$0		\$0		\$0
<b>Estimated Internal Cost</b>					\$45,215		\$16,370		\$12,047		\$6,017		\$3,265		\$1,588
Sanitary Sewer Technical Services by DTPW with cost distributed to the departments	* Total Cost	Fixed Cost	Variable Cost	Parks		Grounds		Airports		Zoo		H.O.C.		Transit	
Percent of MHs on County owned property per Dept.	100%			48.15%		22.08%		15.68%		8.69%		3.40%		2.00%	
Train Departments to Perform Inspections	\$0	100%		\$0		\$0		\$0		\$0		\$0		\$0	
Record Drawing Search	\$4,930	10%	90%	\$2,219		\$1,062		\$778		\$468		\$233		\$171	
G.I.S. Mapping Updates	\$9,120	10%	90%	\$4,104		\$1,964		\$1,439		\$865		\$431		\$316	
Update & Maintain Inspection Database	\$5,860	10%	90%	\$2,637		\$1,262		\$925		\$556		\$277		\$203	
Analyze Inspection Data	\$4,030	10%	90%	\$1,814		\$868		\$636		\$382		\$190		\$140	
Label Inspection Photos	\$6,780	10%	90%	\$3,051		\$1,460		\$1,070		\$643		\$320		\$235	
Add Inspection Reports to City Works	\$4,180	10%	90%	\$1,881		\$900		\$660		\$397		\$197		\$145	
Upload, Convert to City Works, and View CCTV video	\$7,330	10%	90%	\$3,299		\$1,579		\$1,157		\$696		\$346		\$254	
Prepare List of Recommended Projects	\$4,830	10%	90%	\$2,174		\$1,040		\$762		\$458		\$228		\$167	
Prepare List of Recommended Inspections for Next Year	\$3,630	10%	90%	\$1,634		\$782		\$573		\$344		\$171		\$126	
Prepare Plans & Specs for Rehab.	\$8,220	10%	90%	\$3,699		\$1,770		\$1,297		\$780		\$388		\$285	
Annual CMOM Meetings with Individual Departments	\$4,680	100%		\$780		\$780		\$780		\$780		\$780		\$780	
Annual CMOM Committee Meetings	\$4,200	100%		\$700		\$700		\$700		\$700		\$700		\$700	
CMOM Implementation	\$12,480	10%	90%	\$5,616		\$2,688		\$1,970		\$1,184		\$590		\$432	
Update MMSD I/I Master Plan	\$2,430	100%		\$405		\$405		\$405		\$405		\$405		\$405	
MMSD I/I Management Annual Progress Report	\$3,540	25%	75%	\$1,426		\$734		\$564		\$378		\$238		\$201	
DNR Compliance Maintenance Annual Report	\$4,260	50%	50%	\$1,381		\$825		\$689		\$540		\$427		\$398	
<b>Estimated DTPW Cost</b>					\$36,819		\$18,819		\$14,405		\$9,577		\$5,922		\$4,957
<b>Rounded Total Estimated Cost</b>					\$82,000		\$35,200		\$26,500		\$15,600		\$9,200		\$6,500

\* For total cost of each technical services task, see page 2.

# COMPLIANCE MAINTENANCE ANNUAL REPORT

**Facility Name: Milwaukee County Facilities**

**Last Updated:  
6/25/2012**

**Reporting Year: 2011**

Financial Management

	Questions	Points						
1.	Person Providing This Financial Information							
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Name:</td> <td>Jill Organ</td> </tr> <tr> <td>Telephone:</td> <td>(414) 278-4819</td> </tr> <tr> <td>E-Mail Address(optional):</td> <td>jorgan@milwcnty.com</td> </tr> </table>	Name:	Jill Organ	Telephone:	(414) 278-4819	E-Mail Address(optional):	jorgan@milwcnty.com	
Name:	Jill Organ							
Telephone:	(414) 278-4819							
E-Mail Address(optional):	jorgan@milwcnty.com							
2.	Are User Charge or other Revenues sufficient to cover O&M Expenses for your wastewater treatment plant AND/OR collection system ?	0						
	<p style="margin-left: 40px;"> <input checked="" type="radio"/> Yes (0 points)  <input type="radio"/> No (40 points)                 </p> <p>If No, please explain:</p> <div style="border: 1px solid black; height: 20px; width: 60%; margin-left: 40px;"></div>							
3.	When was the User Charge System or other revenue source(s) last reviewed and/or revised? Year: 2011	0						
	<p style="margin-left: 40px;"> <input type="radio"/> 0-2 years ago (0 points)  <input type="radio"/> 3 or more years ago (20 points)  <input checked="" type="radio"/> Not Applicable (Private Facility)                 </p>							
4.	Did you have a special account (e.g., CWFP required segregated Replacement Fund, etc.) or financial resources available for repairing or replacing equipment for your wastewater treatment plant and/or collection system?	0						
	<p style="margin-left: 40px;"> <input checked="" type="radio"/> Yes  <input type="radio"/> No (40 points)                 </p>							
<b>REPLACEMENT FUNDS(PUBLIC MUNICIPAL FACILITIES SHALL COMPLETE QUESTION 5)</b>								
5.	Equipment Replacement Funds							
	5.1 When was the Equipment Replacement Fund last reviewed and/or revised? Year:	0						
	<p style="margin-left: 40px;"> <input type="radio"/> 1-2 years ago (0 points)  <input type="radio"/> 3 or more years ago (20 points)  <input checked="" type="radio"/> Not Applicable Explain:                 </p> <div style="border: 1px solid black; padding: 5px; margin-left: 40px;">We do not have wastewater equipment</div>							
	5.2 What amount is in your Replacement Fund?							
<b>Equipment Replacement Fund Activity</b>								
	<b>5.2.1 Ending Balance Reported on Last Year's CMAR:</b>	\$1.00						
	<b>5.2.2 Adjustments</b> if necessary (e.g., earned interest, audit correction, withdrawal of excess funds, increase making up previous shortfall, etc.)	+ \$0.00						
TPWT - July 11, 2012 - Page 30								

# COMPLIANCE MAINTENANCE ANNUAL REPORT

Facility Name: Milwaukee County Facilities

Last Updated:  
6/25/2012

Reporting Year: 2011

Financial Management (Continued)

	<b>5.2.3 Adjusted January 1st Beginning Balance</b>	\$1.00	
	<b>5.2.4 Additions</b> to Fund (e.g., portion of User Fee, earned interest, etc.) +	\$0.00	
	<b>5.2.5 Subtractions</b> from Fund (e.g., equipment replacement, major repairs - use description box 5.2.5.1 below*) -	\$0.00	
	<b>5.2.6 Ending Balance as of December 31st for CMAR Reporting Year</b>	\$1.00	
<p>(All Sources: This ending balance should include all Equipment Replacement Funds whether held in a bank account(s), certificate(s) of deposit, etc.)</p> <p>*5.2.5.1. Indicate adjustments, equipment purchases and/or major repairs from 5.2.5 above</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>			

	<b>5.3 What amount should be in your replacement fund?</b>	\$1.00	
<p>(If you had a CWFP loan, this amount was originally based on the Financial Assistance Agreement (FAA) and should be regularly updated as needed. Further calculation instructions and an example can be found by clicking the HELP option button.)</p>			

	<b>5.3.1 Is the Dec. 31 Ending Balance in your Replacement Fund above (#5.2.6) equal to or greater than the amount that should be in it(#5.3)?</b>		
<p> <input checked="" type="radio"/> Yes  <input type="radio"/> No Explain:         </p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>			

<b>6.</b>	<b>Future Planning</b>		
-----------	------------------------	--	--

	<b>6.1 During the next ten years, will you be involved in formal planning for upgrading, rehabilitating or new construction of your treatment facility or collection system?</b>		
<p> <input checked="" type="radio"/> Yes (If yes, please provide major project information, if not already listed below)  <input type="radio"/> No         </p>			

Project Description	Estimated Cost	Approximate Construction Year
Complete construction for manhole and pipe rehabilitation. Complete Management Plan, Overflow Response Plan, Communication Plan, and Audit Plan. Continue to update Cityworks and G.I.S. sanitary sewer mapping and database.	\$61,031.32	2009
Departmental work: Training for inspections, inspect 25% sanitary sewer manholes, televising, cleaning, dye water testing, smoke testing, field investigations, document organization and submittal, CMOM annual meetings and activities.	\$33,401.90	2009
A&E work: Train departments to perform inspections, search record drawings, update GIS mapping and databases, upload inspection reports and convert information to City Works, view CCTV video, analyze inspection data, prepare list of recommended projects, prepare list of recommended inspections for following year, annual CMOM meetings, prepare MMSD I/I Management Annual Progress Report, Prepare WDNR Compliance Maintenance Annual Report.	\$31,066.00	2009

# COMPLIANCE MAINTENANCE ANNUAL REPORT

Facility Name: Milwaukee County Facilities

Last Updated:  
6/25/2012

Reporting Year: 2011

Financial Management (Continued)

Countywide Sanitary Sewers: Airport, HOC, and Transit Sanitary Sewer Rehabilitation and Countywide CCTV	\$75,252.90	2010
Inspect 25% sanitary sewer manholes, televising, cleaning, dye water testing, smoke testing, field investigations, document organization and submittal, CMOM annual meetings and activities, continually update GIS mapping and databases, upload inspection reports and convert information to City Works, view CCTV video, search record drawings, analyze inspection data, prepare list of recommended projects, prepare list of recommended inspections for following year, annual CMOM meetings, prepare MMSD I/I Management Annual Progress Report, Prepare WDNR Compliance Maintenance Annual Report.	\$175,773.44	2010
Inspect 25% sanitary sewer manholes, televising, cleaning, dye water testing, smoke testing, field investigations, document organization and submittal, CMOM annual meetings and activities, continually update GIS mapping and databases, upload inspection reports and convert information to City Works, view CCTV video, search record drawings, analyze inspection data, prepare list of recommended projects, prepare list of recommended inspections for following year, annual CMOM meetings, prepare MMSD CMOM Program Annual Report, Prepare WDNR Compliance Maintenance Annual Report.	\$81,626.24	2011
Begin CMOM Readiness Review, sanitary sewer database, and manhole inspection program.	\$10,259.71	2005
Create sanitary sewer database, inspect manhole tops, begin abandoning unused sewers, begin SSES, continue CMOM Readiness Review.	\$269,444.43	2006
Complete manhole top rehabilitation, abandon more unused manholes and pipes, complete SSES, update sanitary sewer database, complete CMOM Readiness Review, begin Strategic Plan, begin planning and design for 2008 construction projects.	\$1,927,033.03	2007
Planning, design and construction for manhole and pipe rehabilitation identified in SSES. Completed Strategic Plan. Began Management Plan, Overflow Response plan, Communications Plan, and Audit Plan. Incorporated Cityworks software into G.I.S. and updated sanitary sewer mapping and database. Performed MMSD and CMAR reporting. Conducted internal CMOM meetings. Attended MMSD CMOM meetings.	\$171,283.85	2008
McGovern Park Sanitary Sewers: Constructed new sewers to serve existing buildings and abandoned old sewers including sewer under lagoon and sewer from demolished swimming pool.	\$346,008.42	2008
Parks North Sanitary Sewer Rehabilitation	\$287,980.69	2008
Parks South Sanitary Sewer Rehabilitation	\$311,302.81	2008
County Grounds/Zoo Sanitary Rehabilitation	\$284,719.27	2009
Countywide Sanitary Sewers: Airport, HOC, and Transit Sanitary Sewer Rehabilitation and Countywide CCTV	\$110,048.41	2009
2010 Sanitary Sewers-Multiple Locations	\$6,648.58	2010
2010 Sanitary Sewers-Multiple Locations	\$123,479.22	2011

# COMPLIANCE MAINTENANCE ANNUAL REPORT

**Facility Name: Milwaukee County Facilities**

**Last Updated:  
6/25/2012**

**Reporting Year: 2011**

Financial Management (Continued)

	Correct deficiencies identified during previous year's inspections.	\$150,000.00	2012	
	Inspect 25% sanitary sewer manholes, televising, cleaning, dye water testing, smoke testing, field investigations, document organization and submittal, CMOM annual meetings and activities, continually update GIS mapping and databases, upload inspection reports and convert information to City Works, view CCTV video, search record drawings, analyze inspection data, prepare list of recommended projects, prepare list of recommended inspections for following year, annual CMOM meetings, prepare MMSD CMOM Program Annual Report, Prepare WDNR Compliance Maintenance Annual Report.	\$175,000.00	2012	
	Countywide Sanitary Sewers: Airport, HOC, and Transit Sanitary Sewer Rehabilitation and Countywide CCTV	\$3,419.22	2011	
	Inspect 25% sanitary sewer manholes, televising, cleaning, dye water testing, smoke testing, field investigations, document organization and submittal, CMOM annual meetings and activities, continually update GIS mapping and databases, upload inspection reports and convert information to City Works, view CCTV video, search record drawings, analyze inspection data, prepare list of recommended projects, prepare list of recommended inspections for following year, annual CMOM meetings, prepare MMSD CMOM Program Annual Report, Prepare WDNR Compliance Maintenance Annual Report.	\$175,000.00	2013	
7.	Financial Management General Comments:			
	<div style="border: 1px solid black; width: 600px; height: 20px; margin: 0 auto;"></div>			

Total Points Generated	0
Score (100 - Total Points Generated)	100
Section Grade	A

# COMPLIANCE MAINTENANCE ANNUAL REPORT

Facility Name: Milwaukee County Facilities

Last Updated:  
6/25/2012

Reporting Year: 2011

## Sanitary Sewer Collection Systems

	Questions	Points
1.	Do you have a Capacity, Management, Operation & Maintenance (CMOM) requirement in your WPDES permit?	
	<input checked="" type="radio"/> Yes <input type="radio"/> No	
2.	Did you have a <u>documented</u> (written records/files, computer files, video tapes, etc.) sanitary sewer collection system operation & maintenance or CMOM program last calendar year?	0
	<input checked="" type="radio"/> Yes (go to question 3) <input type="radio"/> No (30 points) (go to question 4)	
3.	Check the elements listed below that are included in your Operation and Maintenance (O&M) or CMOM program.:	
	<div style="border: 1px solid black; padding: 5px;"> <input checked="" type="checkbox"/> <b>Goals:</b> Describe the specific goals you have for your collection system:  <div style="border: 1px solid black; padding: 5px; margin: 5px 0;">                     1. Comply with the conditions of the WPDES permit 2. Minimize the occurrence of preventable overflows 3. Ensure proper O&amp;M is performed on County sewer collection system assets 4. Improve or maintain system reliability 5. Reduce the potential threat to human health from sewer overflows 6. Provide adequate capacity to convey peak flow 7. Manage infiltration and inflow 8. Protect collection system worker health and safety 9. Operate a continuous CMOM Program                 </div> </div> <input checked="" type="checkbox"/> <b>Organization:</b> Do you have the following written organizational elements (check only those that you have): <input checked="" type="checkbox"/> Ownership and governing body description <input checked="" type="checkbox"/> Organizational chart <input checked="" type="checkbox"/> Personnel and position descriptions <input checked="" type="checkbox"/> Internal communication procedures <input type="checkbox"/> Public information and education program  <input checked="" type="checkbox"/> <b>Legal Authority:</b> Do you have the legal authority for the following (check only those that apply): <input type="checkbox"/> Sewer use ordinance Last Revised MM/DD/YYYY <input style="width: 80px; height: 20px;" type="text"/> <input type="checkbox"/> Pretreatment/Industrial control Programs <input type="checkbox"/> Fat, Oil and Grease control <input type="checkbox"/> Illicit discharges (commercial, industrial) <input checked="" type="checkbox"/> Private property clear water (sump pumps, roof or foundation drains, etc) <input checked="" type="checkbox"/> Private lateral inspections/repairs <input checked="" type="checkbox"/> Service and management agreements  <input checked="" type="checkbox"/> <b>Maintenance Activities: details in Question 4</b> <input checked="" type="checkbox"/> <b>Design and Performance Provisions:</b> How do you ensure that your sewer system is designed and constructed properly? <input checked="" type="checkbox"/> State plumbing code <input checked="" type="checkbox"/> DNR NR 110 standards <input checked="" type="checkbox"/> Local municipal code requirements <input checked="" type="checkbox"/> Construction, inspection and testing <input type="checkbox"/> Others:	

# COMPLIANCE MAINTENANCE ANNUAL REPORT

Facility Name: Milwaukee County Facilities

Last Updated:  
6/25/2012

Reporting Year: 2011

Sanitary Sewer Collection Systems (Continued)

	<p><input checked="" type="checkbox"/> <b>Overflow Emergency Response Plan:</b> Does your emergency response capability include (check only those that you have):</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Alarm system and routine testing</li> <li><input checked="" type="checkbox"/> Emergency equipment</li> <li><input checked="" type="checkbox"/> Emergency procedures</li> <li><input checked="" type="checkbox"/> Communications/Notifications (DNR, Internal, Public, Media etc)</li> </ul> <p><input checked="" type="checkbox"/> <b>Capacity Assurance:</b> How well do you know your sewer system? Do you have the following?</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Current and up-to-date sewer map</li> <li><input checked="" type="checkbox"/> Sewer system plans and specifications</li> <li><input checked="" type="checkbox"/> Manhole location map</li> <li><input checked="" type="checkbox"/> Lift station pump and wet well capacity information</li> <li><input checked="" type="checkbox"/> Lift station O&amp;M manuals</li> </ul> <p>Within your sewer system have you identified the following?</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Areas with flat sewers</li> <li><input checked="" type="checkbox"/> Areas with surcharging</li> <li><input checked="" type="checkbox"/> Areas with bottlenecks or constrictions</li> <li><input type="checkbox"/> Areas with chronic basement backups or SSO's</li> <li><input checked="" type="checkbox"/> Areas with excess debris, solids or grease accumulation</li> <li><input checked="" type="checkbox"/> Areas with heavy root growth</li> <li><input checked="" type="checkbox"/> Areas with excessive infiltration/inflow (I/I)</li> <li><input type="checkbox"/> Sewers with severe defects that affect flow capacity</li> <li><input checked="" type="checkbox"/> Adequacy of capacity for new connections</li> <li><input type="checkbox"/> Lift station capacity and/or pumping problems</li> </ul> <p><input checked="" type="checkbox"/> <b>Annual Self-Auditing of your O&amp;M/CMOM Program</b> to ensure above components are being implemented, evaluated, and re-prioritized as needed.</p> <p><input type="checkbox"/> <b>Special Studies Last Year(check only if applicable):</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Infiltration/Inflow (I/I) Analysis</li> <li><input type="checkbox"/> Sewer System Evaluation Survey (SSES)</li> <li><input type="checkbox"/> Sewer Evaluation and Capacity Management Plan (SECAP)</li> <li><input type="checkbox"/> Lift Station Evaluation Report</li> <li><input type="checkbox"/> Others:</li> </ul>	
--	--	--

4.	Did your sanitary sewer collection system maintenance program include the following maintenance activities? Complete all that apply and indicate the amount maintained:	
----	---	--

Cleaning	1	% of system/year
Root Removal	1	% of system/year
Flow Monitoring	5	% of system/year
Smoke Testing	0	% of system/year
Sewer Line Televising <small>TPWT - July 11, 2012 - Page 35</small>	1	% of system/year

# COMPLIANCE MAINTENANCE ANNUAL REPORT

**Facility Name: Milwaukee County Facilities**

**Last Updated:  
6/25/2012**

**Reporting Year: 2011**

Sanitary Sewer Collection Systems (Continued)

Manhole Inspections	<input style="width: 50px;" type="text" value="27.2"/>	% of system/year
Lift Station O&M	<input style="width: 50px;" type="text" value="0"/>	# per L.S./year
Manhole Rehabilitation	<input style="width: 50px;" type="text" value="3.4"/>	% of manholes rehabed
Mainline Rehabilitation	<input style="width: 50px;" type="text" value="1"/>	% of sewer lines rehabed
Private Sewer Inspections	<input style="width: 50px;" type="text" value="0"/>	% of system/year
Private Sewer I/I Removal	<input style="width: 50px;" type="text" value="0"/>	% of private services
Please include additional comments about your sanitary sewer collection system below:		
<input style="width: 100%; height: 20px;" type="text"/>		

5.	Provide the following collection system and flow information for the past year:
----	---

<input style="width: 80px;" type="text" value="34.6"/>	Total Actual Amount of Precipitation Last Year
<input style="width: 80px;" type="text" value="32.6"/>	Annual Average Precipitation (for your location)
<input style="width: 80px;" type="text" value="42.53"/>	Miles of Sanitary Sewer
<input style="width: 80px;" type="text" value="31"/>	Number of Lift Stations
<input style="width: 80px;" type="text" value="0"/>	Number of Lift Station Failure
<input style="width: 80px;" type="text" value="0"/>	Number of Sewer Pipe Failures
<input style="width: 80px;" type="text" value="2"/>	Number of Basement Backup Occurrences
<input style="width: 80px;" type="text" value="0"/>	Number of Complaints
<input style="width: 80px;" type="text"/>	Average Daily Flow in MGD
<input style="width: 80px;" type="text"/>	Peak Monthly Flow in MGD(if available)



# COMPLIANCE MAINTENANCE ANNUAL REPORT

**Facility Name: Milwaukee County Facilities**

**Last Updated:  
6/25/2012**

**Reporting Year: 2011**

Sanitary Sewer Collection Systems (Continued)

	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="4" style="text-align: left; padding: 2px;">NUMBER OF SANITARY SEWER OVERFLOWS (SSO) REPORTED (10 POINTS PER OCCURRENCE)</th> </tr> <tr> <th style="width: 10%; padding: 2px;">Date</th> <th style="width: 40%; padding: 2px;">Location</th> <th style="width: 30%; padding: 2px;">Cause</th> <th style="width: 20%; padding: 2px;">Estimated Volume (MG)</th> </tr> <tr> <td colspan="4" style="padding: 5px;">NONE REPORTED</td> </tr> </table> <p style="margin-top: 10px;">Were there SSOs that occurred last year that are not listed above?</p> <p style="margin-left: 20px;"> <input type="radio"/> Yes  <input checked="" type="radio"/> No     </p> <p>If Yes, list the SSOs that occurred:</p> <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>	NUMBER OF SANITARY SEWER OVERFLOWS (SSO) REPORTED (10 POINTS PER OCCURRENCE)				Date	Location	Cause	Estimated Volume (MG)	NONE REPORTED				0
NUMBER OF SANITARY SEWER OVERFLOWS (SSO) REPORTED (10 POINTS PER OCCURRENCE)														
Date	Location	Cause	Estimated Volume (MG)											
NONE REPORTED														
	<p><b>PERFORMANCE INDICATORS</b></p> <p><input style="width: 60px;" type="text" value="0.00"/> Lift Station Failures(failures/ps/year)</p> <p><input style="width: 60px;" type="text" value="0.00"/> Sewer Pipe Failures(pipe failures/sewer mile/yr)</p> <p><input style="width: 60px;" type="text" value="0.00"/> Sanitary Sewer Overflows (number/sewer mile/yr)</p> <p><input style="width: 60px;" type="text" value="0.05"/> Basement Backups(number/sewer mile)</p> <p><input style="width: 60px;" type="text" value="0.00"/> Complaints (number/sewer mile)</p> <p><input style="width: 60px;" type="text"/> Peaking Factor Ratio (Peak Monthly:Annual Daily Average)</p> <p><input style="width: 60px;" type="text"/> Peaking Factor Ratio(Peak Hourly:Annual daily Average)</p>													
6.	<p>Was infiltration/inflow(I/I) significant in your community last year?</p> <p style="margin-left: 20px;"> <input type="radio"/> Yes  <input checked="" type="radio"/> No     </p> <p>If Yes, please describe:</p> <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>													
7.	<p>Has infiltration/inflow and resultant high flows affected performance or created problems in your collection system, lift stations, or treatment plant at any time in the past year?</p> <p style="margin-left: 20px;"> <input type="radio"/> Yes  <input checked="" type="radio"/> No     </p> <p>If Yes, please describe:</p> <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 5px;"></div>													
8.	<p>Explain any infiltration/inflow(I/I) changes this year from previous years?</p>													
	<p>TPWT - July 11, 2012 - Page 38</p>													

# COMPLIANCE MAINTENANCE ANNUAL REPORT

**Facility Name: Milwaukee County Facilities**

**Last Updated:  
6/25/2012**

**Reporting Year: 2011**

Sanitary Sewer Collection Systems (Continued)

9.	What is being done to address infiltration/inflow in your collection system?	

Total Points Generated	0
Score (100 - Total Points Generated)	100
Section Grade	A

# COMPLIANCE MAINTENANCE ANNUAL REPORT

**Facility Name: Milwaukee County Facilities**

**Last Updated:**

**Reporting Year: 2011**

WPDES No.0047341

GRADING SUMMARY				
SECTION	LETTER GRADE	GRADE POINTS	WEIGHTING FACTORS	SECTION POINTS
Financial Management	A	4.0	1	4
Collection Systems	A	4.0	3	12
TOTALS			4	16
GRADE POINT AVERAGE(GPA)=4.00		4.00		

Notes:

A = Voluntary Range

B = Voluntary Range

C = Recommendation Range (Response Required)

D = Action Range (Response Required)

F = Action Range (Response Required)

# COMPLIANCE MAINTENANCE ANNUAL REPORT

**Facility Name: Milwaukee County Facilities**

**Last Updated:**

**Reporting Year: 2011**

Resolution or Owner's Statement

NAME OF GOVERNING BODY OR OWNER	DATE OF RESOLUTION OR ACTION TAKEN
Milwaukee County	07/26/2012
RESOLUTION NUMBER	
ACTIONS SET FORTH BY THE GOVERNING BODY OR OWNER RELATING TO SPECIFIC CMAR SECTIONS (Optional for grade A or B, required for grade C, D, or F):	
<b>Financial Management: Grade=A</b>	
<b>Collection Systems: Grade=A</b>	
ACTIONS SET FORTH BY THE GOVERNING BODY OR OWNER RELATING TO THE OVERALL GRADE POINT AVERAGE AND ANY GENERAL COMMENTS (Optional for G.P.A. greater than or equal to 3.00, required for G.P.A. less than 3.00) <b>G.P.A. = 4.00</b>	

**COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION**

Date: June 22, 2012

To: Supervisor Michael Mayo, Sr., Chairperson, Transportation, Public Works Committee

From: Gregory G. High, Director, Architecture, Engineering and Environmental Services Section, DAS - Facilities Management

Subject: Guaranteed Energy Savings Performance Contracting (GESPC) to Repair County Building Infrastructure – Proposal from Johnson Controls, Inc.  
Project # 5081-8479, Phase 2, Part B  
**Supplemental Information**

The Committee on Transportation, Public Works and Transit (TPW/T), at its meeting on June 13, 2012, considered a request from the Director of the Architecture, Engineering and Environmental Services Section, DAS - Facilities Management Division (AE&ES) for authorization to prepare, review, approve and execute all contract documents as required to hire Johnson Controls Inc. (JCI), an Energy Services Company (ESCO) previously approved as qualified by the County Board, to provide Phase 2 Guaranteed Energy Savings Performance Contracting (GESPC) to repair and renew Milwaukee County building infrastructure based on the energy audits performed at selected County facilities and as described in previous reports from the Department of Transportation and Public Works (DTPW) to the County Board.

The Committee members requested information on the various scenarios/safeguards when energy savings are not achieved based on ten-year simple payback criteria used in borrowing the implementation funding for GESPC. The following descriptions of the appropriate GESPC provisions are intended to respond to that request.

**Monitoring and Verification Service Agreement**

The GESPC includes an ESCO Monitoring and Verification Service Agreement that stipulates throughout the term of the 10-year agreement, or until the Agreement is cancelled by the County, the County shall pay the ESCO a monthly fee for monitoring the Energy Savings. Annual guaranteed Energy Savings achieved shall be sufficient to cover implementation capital costs and any and all fees to be paid to ESCO for the provisions of the ESCO Monitoring, Maintenance and Service Agreement.

**Energy and Cost Savings Guarantee**

This guarantee is achieved as a result of the installation and operation of the equipment, and provision of services provided for in this Agreement as specified in the ESCO's Monitoring, Maintenance and Service Agreement and in accordance with the Savings Calculation Formulae as set forth in the contract. This Energy and Cost Savings Guarantee is subject to the satisfactory performance by County of all its obligations under this Agreement.

The ESCO has structured the Energy and Cost Savings Guarantee to be sufficient to exceed any and all annual payments required by the County in connection with the acquisition of equipment to be installed by ESCO under this contract. Actual energy and operations savings achieved by ESCO through the operation of equipment and performance of services by ESCO shall also be sufficient to cover any and all annual fees to be paid by Customer to ESCO for the provision of services in accordance with the provisions of ESCO Monitoring, Maintenance and Service Agreement

**Annual Review and Reimbursement/Reconciliation**

Energy-related cost savings shall be measured and/or calculated as specified and a report provided to the County within sixty (60) days of each anniversary of the Performance Commencement Date. The ESCO has developed the measurement and verification procedures specified to comply with the requirements of the U.S. Department of Energy, Federal Energy Management Program, Measurement and Verification Guidelines for Federal Energy Projects (DOE/GO-102000-0960, September 2000).

In the event the Energy Savings achieved during such twelve-month period is less than the Guaranteed Energy Savings during the years the guarantee is in effect, ESCO shall pay the Customer an amount equal to the deficiency pursuant to the contract.

If during any twelve-month period the Energy and Cost Savings achieved are greater than the Guaranteed Energy Savings, such excess Savings shall be retained by the County.

Prepared by: Gregory G. High, Director, AE&ES Section, DAS-FM

Approved By:

---

Greg High, P.E., Director  
AE&ES Section, DAS-FM

cc: Chris Abele, Milwaukee County Executive  
Amber Moreen, Chief of Staff, County Executive's Office  
Tia Torhorst, County Executive's Office  
Craig Kammholz, Fiscal and Budget Administrator, DAS  
Pam Bryant, Capital Finance Manager  
Vince Masterson, DAS- Fiscal  
Sheriff David Clark  
Major Nancy Evans, Office of the Sheriff  
Jon Priebe, Office of the Sheriff  
Shawn Sullivan, Office of the Sheriff  
Jodi Mapp, County Board Staff

## COUNTY OF MILWAUKEE

## INTER-OFFICE COMMUNICATION

DATE: June 12, 2012

TO: Marina Dimitrijevic, Milwaukee County Board Chairwoman

FROM: Frank Busalacchi, Director, Department of Transportation

SUBJECT: Agreements for Purchase from the Wisconsin Department of Transportation (WisDOT) to acquire the needed property interests from Milwaukee County owned properties as part of the Zoo Freeway Interchange Reconstruction Project.

**POLICY ISSUE:**

WisDOT has been legislatively authorized to reconstruct the Zoo Freeway Interchange by the State of Wisconsin and by the Federal Highway Administration (FHWA) under various state and federal statutes and codes. Milwaukee County Board approval will be required to convey County owned property to WisDOT that is needed for the reconstruction project. Chapter 32.05 of the Wisconsin Statutes defines the eminent domain process for acquiring land for transportation use.

**BACKGROUND:**

The County's Director of Transportation received two Agreements for Purchase (Agreements) from WisDOT to acquire the needed property interests from two County-owned properties. The WisDOT offers within the Agreements for the required property interests are as follows:

A Permanent Limited Easement of 0.143 acres located near the northwest corner of North Mayfair Road and West Watertown Plank Road in the City of Wauwatosa. This easement is needed for drainage purposes.

A Temporary Limited Easement of 0.007 acres located at 10457 Innovation Drive, in the City of Wauwatosa. This easement is for sloping and will expire upon completion of the reconstruction project.

A copy of the WisDOT Agreements and exhibits depicting the properties and needed property interests are attached.

The final offer from WisDOT for the acquisition of the Permanent Limited Easement is \$8,500 and the Temporary Limited Easement is \$1,500. The values were derived from appraisals and direct negotiations with WisDOT.

RECOMMENDATION:

Staff respectfully requests that the Transportation, Public Works and Transit Committee recommend to the County Board of Supervisors acceptance of the above-described Agreements from the WisDOT in the amounts of \$8,500 and \$1,500.

  
\_\_\_\_\_  
Frank Busalacchi, Director,  
Department of Transportation

Meeting Date: July 11, 2012  
Attachments

cc: Chris Abele, County Executive  
Supervisor Jim Luigi Schmitt, District 6  
Kimberly Walker, Corporation Counsel  
Patrick Farley, Director, Department of Administrative Services (DAS)  
Brian Taffora, Director of Economic Development (DAS)  
Sue Black, Director, Department of Parks, Recreation and Culture (DPRC)  
James Keegan, Chief of Planning and Development (DPRC)  
Greg High, Director, AE & ES (DAS)  
James Martin, Fiscal Management Analyst

1  
2  
3  
4 (Item ) From the Director of Transportation recommending acceptance of Agreements  
5 for Purchase from the Wisconsin Department of Transportation (WisDOT) to acquire the  
6 needed property interests from Milwaukee County owned properties as part of the Zoo  
7 Freeway Interchange Reconstruction Project, by recommending adoption of the  
8 following:  
9

10  
11 **RESOLUTION**  
12

13 WHEREAS, WisDOT has been legislatively authorized to reconstruct the zoo  
14 interchange by the State of Wisconsin and by the Federal Highway Administration  
15 (FHWA) under various state and federal statutes and codes; and  
16

17 WHEREAS, Milwaukee County Board approval will be required to convey  
18 property interests on Milwaukee County owned property to WisDOT, needed for the  
19 reconstruction project; and  
20

21 WHEREAS, Chapter 32.05 of the Wisconsin Statutes defines the eminent  
22 domain process for acquiring land for transportation use; and  
23

24 WHEREAS, the County's Director of Transportation received two Agreements for  
25 Purchase (Agreements) from WisDOT to acquire the needed property interests from two  
26 County-owned properties; and  
27

28 WHEREAS, the WisDOT offers within the Agreements for the required property  
29 interests are as follows:  
30

31 A Permanent Limited Easement of 0.143 acres located near the northwest corner  
32 of North Mayfair Road and West Watertown Plank Road in the City of  
33 Wauwatosa. This easement is needed for drainage purposes.  
34

35 A Temporary Limited Easement of 0.007 acres located at 10457 Innovation  
36 Drive, in the City of Wauwatosa. This easement is for sloping and will expire  
37 upon completion of the reconstruction project; and  
38

39 WHEREAS, the final offer from WisDOT for the acquisition of the Permanent  
40 Limited Easement is \$8,500 and the Temporary Limited Easement is \$1,500. The  
41 values were derived from appraisals and direct negotiations with WisDOT; and  
42

43 WHEREAS, the Committee on Transportation, Public Works & Transit at their  
44 meeting on July 11, 2012 recommended approval of the above-described Agreements

45 between WisDOT and Milwaukee County; now, therefore,

46

47 BE IT RESOLVED, that the Director of Transportation is hereby authorized to  
48 sign the above-described Agreements; and

49

50 BE IT FURTHER RESOLVED, that the County Executive and the County Clerk  
51 are hereby authorized to execute the instruments conveying the above-described  
52 property interests to the Wisconsin Department of Transportation pursuant to the terms  
53 and conditions of the above-described Agreements.

## MILWAUKEE COUNTY FISCAL NOTE FORM

**DATE:** June 18, 2012

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Agreements for Purchase from the Wisconsin Department of Transportation (WisDOT) to acquire the needed property interests from Milwaukee County owned properties as part of the Zoo Freeway Interchange Reconstruction Project.

**FISCAL EFFECT:**

- |  |  |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact<br><input checked="" type="checkbox"/> Existing Staff Time Required<br><input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below)<br><input type="checkbox"/> Absorbed Within Agency's Budget<br><input type="checkbox"/> Not Absorbed Within Agency's Budget<br><input type="checkbox"/> Decrease Operating Expenditures<br><input checked="" type="checkbox"/> Increase Operating Revenues<br><input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures<br><input type="checkbox"/> Decrease Capital Expenditures<br><input type="checkbox"/> Increase Capital Revenues<br><input type="checkbox"/> Decrease Capital Revenues<br><input type="checkbox"/> Use of contingent funds |
|--|--|

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	Expenditure or Revenue Category	Current Year	Subsequent Year
<b>Operating Budget</b>	Expenditure	-0-	
	Revenue	\$ 10,000	
	Net Cost		
<b>Capital Improvement Budget</b>	Expenditure		
	Revenue		
	Net Cost		

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. <sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

The \$10,000 in proceeds realized from the conveyance of the permanent easement and the temporary construction easement will be deposited in accordance to the adopted 2012 budget.

Department/Prepared By Frank Busalacchi

Authorized Signature

Frank Busalacchi

Did DAS-Fiscal Staff Review?  Yes  No

<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

**AGREEMENT FOR PURCHASE AND SALE OF REAL ESTATE**

DT1895 8/2011 (Replaces RE3012)

Wisconsin Department of Transportation

THIS AGREEMENT, made and entered into by and between Milwaukee County, hereinafter called SELLER, and the State of Wisconsin, Department of Transportation, hereinafter called WISDOT. **If accepted, this offer can create a legally enforceable contract.** Both parties should read this document carefully and understand it before signing.

SELLER and WISDOT agree that WISDOT is purchasing this property for transportation purposes within the meaning of s.84.09, Wis. Stats.

SELLER warrants and represents to WISDOT that SELLER has no notice or knowledge of any: 1) Planned or commenced public improvements which may result in special assessments to otherwise materially affect the property other than the planned transportation facility for which the WISDOT is purchasing this property; 2) Government agency or court order requiring repair, alteration, or correction of any existing condition; 3) Shore land or special land use regulations affecting the property.

DESCRIPTION: The SELLER agrees to sell and the WISDOT agrees to buy, upon the terms and conditions hereinafter named, the following described real estate situated in Milwaukee County, Wisconsin:

**Legal Description is attached hereto and made a part hereof by reference.**

The purchase price of said real estate shall be the sum of Eight Thousand Five Hundred and 0/100 Dollars, (\$ 8,500.00)

SELLER shall, upon payment of purchase price, convey the aforesaid real estate by appropriate conveyance, free and clear of all liens and encumbrances, including special assessments, except recorded public utility easements and recorded restrictions on use running with the land or created by lawfully enacted zoning ordinances.

Legal possession of the aforesaid real estate shall be delivered to WISDOT on date of closing, which shall be within 60 days, on a date and time, and at a place, mutually acceptable to the parties.

Occupancy of the aforesaid real estate shall be given to WISDOT on closing.

**SPECIAL CONDITIONS:**

This agreement is binding upon acceptance by WISDOT as evidenced by the signature of an authorized representative of WISDOT. If this agreement is not accepted by WISDOT within 20 days after SELLER's signature, this agreement shall be null and void.

SELLER and WISDOT agree to act in good faith and use diligence in completing the terms of this agreement. This agreement binds and inures to the benefit of the parties to this agreement and their respective successors and assigns.

 <p>Q J 8 9 1 1 7</p>	<p>Project 1060-33-22</p>	<p>Parcel 54</p>
--	-------------------------------	----------------------

The warranties and representations made herein survive the closing of this transaction. SELLER agrees to sell and convey the above-mentioned real estate on the terms and conditions as set forth and acknowledges receipt of a copy of this agreement.

\_\_\_\_\_  
(Witness Signature)

\_\_\_\_\_  
(Seller) Milwaukee County (Date)

\_\_\_\_\_  
(Print Witness Name)

\_\_\_\_\_  
(Seller) (Date)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Seller) Milwaukee County Clerk (Date)

\_\_\_\_\_  
(Seller) (Date)

The above agreement is accepted.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Title)

Must be signed by administrator or an authorized representative.

Project 1060-33-22	Parcel 54
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## LEGAL DESCRIPTION

**Permanent Limited Easements** for the right to construct, reconstruct and maintain drainage facilities, including for such purpose the right to operate the necessary equipment thereon and the right of ingress and egress as long as required for such public purpose, including the right to preserve, protect, remove or plant thereon any vegetation that the highway authorities may deem necessary or desirable, but without prejudice to the owner's right to make or construct improvements on said lands or to flatten the slopes, providing said activities will not impair or otherwise adversely affect the highway facilities within the right of way, in and to the following tract of land in the City of Wauwatosa, Milwaukee County, State of Wisconsin, described as:

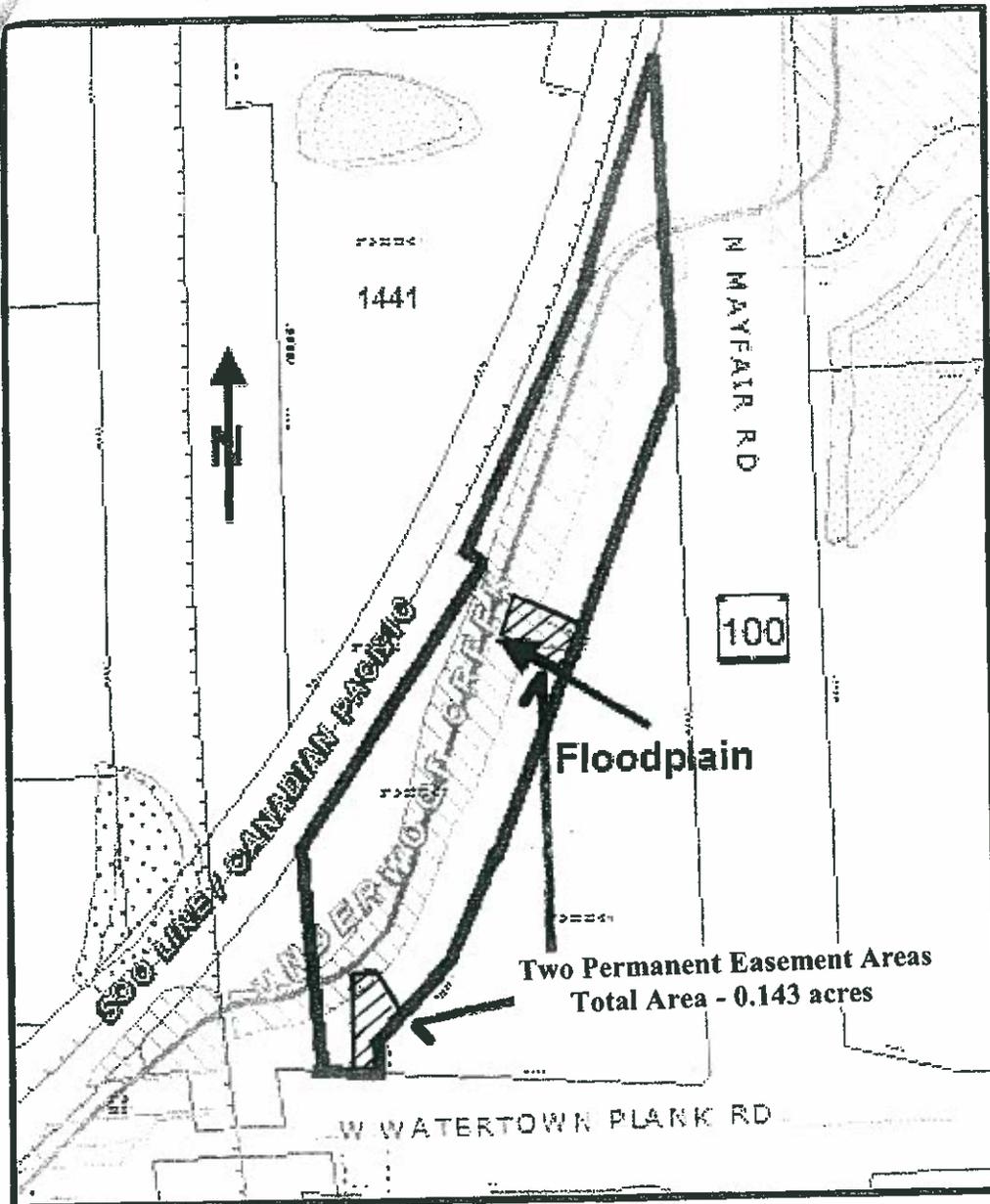
That part of the Southeast 1/4 of the Southeast 1/4 of Section 19, Town 7 North, Range 21 East, described as follows:

Beginning at the southwest corner of Parcel 1 of CSM 4409, as recorded in the Milwaukee County Register of Deeds Office as document 5684184; thence North 85°36'09" West along the north line of W. Watertown Plank Road, 33.58 feet; thence North 2°00'56" East 91.92 feet; thence South 87°59'04" East 20.00 feet; thence South 42°16'27" East 55.23 feet to the west line of said Parcel 1 and a point on a curve; thence 29.74 feet, along the arc of a curve to the right, with a radius of 291.78 feet and a chord bearing and length of South 54°20'43" West 29.73 feet; thence South 4°23'56" West along said west line, 35.64 feet to the point of beginning.

Also, commencing at the northeast corner of said Parcel 1; thence South 22°10'36" West along the west line of said Parcel 1, 307.25 feet to the point of beginning; thence continue South 22°10'36" West along said west line, 40.10 feet; thence North 71°49'43" West 63.84 feet; thence North 18°10'17" East 40.00 feet; thence South 71°49'43" East 66.64 feet to the point of beginning.

These parcels contain 0.143 acre, more or less.

# PLAT BEFORE ACQUISITION



# AGREEMENT FOR PURCHASE AND SALE OF REAL ESTATE

Wisconsin Department of Transportation

DT1895 8/2011 (Replaces RE3012)

THIS AGREEMENT, made and entered into by and between Milwaukee County, Milwaukee County Clerk, hereinafter called SELLER, and the State of Wisconsin, Department of Transportation, hereinafter called WISDOT. If accepted, this offer can create a legally enforceable contract. Both parties should read this document carefully and understand it before signing

SELLER and WISDOT agree that WISDOT is purchasing this property for transportation purposes within the meaning of s.84.09, Wis. Stats.

SELLER warrants and represents to WISDOT that SELLER has no notice or knowledge of any: 1) Planned or commenced public improvements which may result in special assessments to otherwise materially affect the property other than the planned transportation facility for which the WISDOT is purchasing this property; 2) Government agency or court order requiring repair, alteration, or correction of any existing condition; 3) Shore land or special land use regulations affecting the property; 4) Underground storage tanks and the presence of any dangerous or toxic materials or conditions affecting the property.

DESCRIPTION: The SELLER agrees to sell and the WISDOT agrees to buy, upon the terms and conditions hereinafter named, the following described real estate situated in Milwaukee County, Wisconsin:

**Legal Description is attached hereto and made a part hereof by reference.**

The purchase price of said real estate shall be the sum of One Thousand Five Hundred and 0/100 Dollars, (\$ 1,500.00) payable as follows: ~~payable by check at closing~~

General taxes shall be prorated at the time of closing based on the net general taxes for the current year, if known, otherwise on the net general taxes for the preceding year.

SELLER shall, upon payment of purchase price, convey the property by warranty deed or other conveyance, free and clear of all liens and encumbrances, including special assessments, except recorded public utility easements and recorded restrictions on use running with the land or created by lawfully enacted zoning ordinances, and Temporary Limited Easement.

Legal possession of premises shall be delivered to WISDOT on date of closing.

Occupancy of property shall be given to WISDOT on closing, SELLER may not occupy property after closing, unless a separate lease agreement is entered into between WISDOT and SELLER.

## SPECIAL CONDITIONS:

This agreement is binding upon acceptance by WISDOT as evidenced by the signature of an authorized representative of WISDOT. If this agreement is not accepted by WISDOT within 20 days after SELLER's signature, this agreement shall be null and void.

SELLER and WISDOT agree to act in good faith and use diligence in completing the terms of this agreement. This agreement binds and inures to the benefit of the parties to this agreement and their successors in interest, personal representatives, heirs, executors, trustees and administrators.

 0 3 8 9 0 9 7	Project 1060-33-22	Parcel 55
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The warranties and representations made herein survive the closing of this transaction. SELLER agrees to sell and convey the above-mentioned property on the terms and conditions as set forth and acknowledges receipt of a copy of this agreement.

\_\_\_\_\_  
(Witness Signature)

\_\_\_\_\_  
(Print Witness Name)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Seller) Milwaukee County (Date)

\_\_\_\_\_  
(Seller) (Date)

\_\_\_\_\_  
(Seller) Milwaukee County Clerk (Date)

\_\_\_\_\_  
(Seller) (Date)

The above agreement is accepted.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Title)

Must be signed by administrator or an authorized representative.

Project 1060-33-22	Parcel 55
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## LEGAL DESCRIPTION

A **Temporary Limited Easement** for the right to construct cut and/or fill slopes and construct drainage facilities including for such purpose the right to operate the necessary equipment thereon and the right of ingress and egress as long as required for such public purpose, including the right to preserve, protect, remove, or plant thereon any vegetation that the highway authorities may deem necessary or desirable, in and to the following tract of land, in the City of Wauwatosa, Milwaukee County, State of Wisconsin, described as:

That part of Lot 21 of Certified Survey Map 7908 as recorded in the Milwaukee County Register of Deeds Office as document 9419817, being part of the Northwest 1/4 of the Northwest 1/4 of Section 29, Town 7 North, Range 21 East, described as follows:

The West 10 feet of the North 30 feet of the South 140 feet, as measured along the east line of W. Innovation Drive, of said Lot 21.

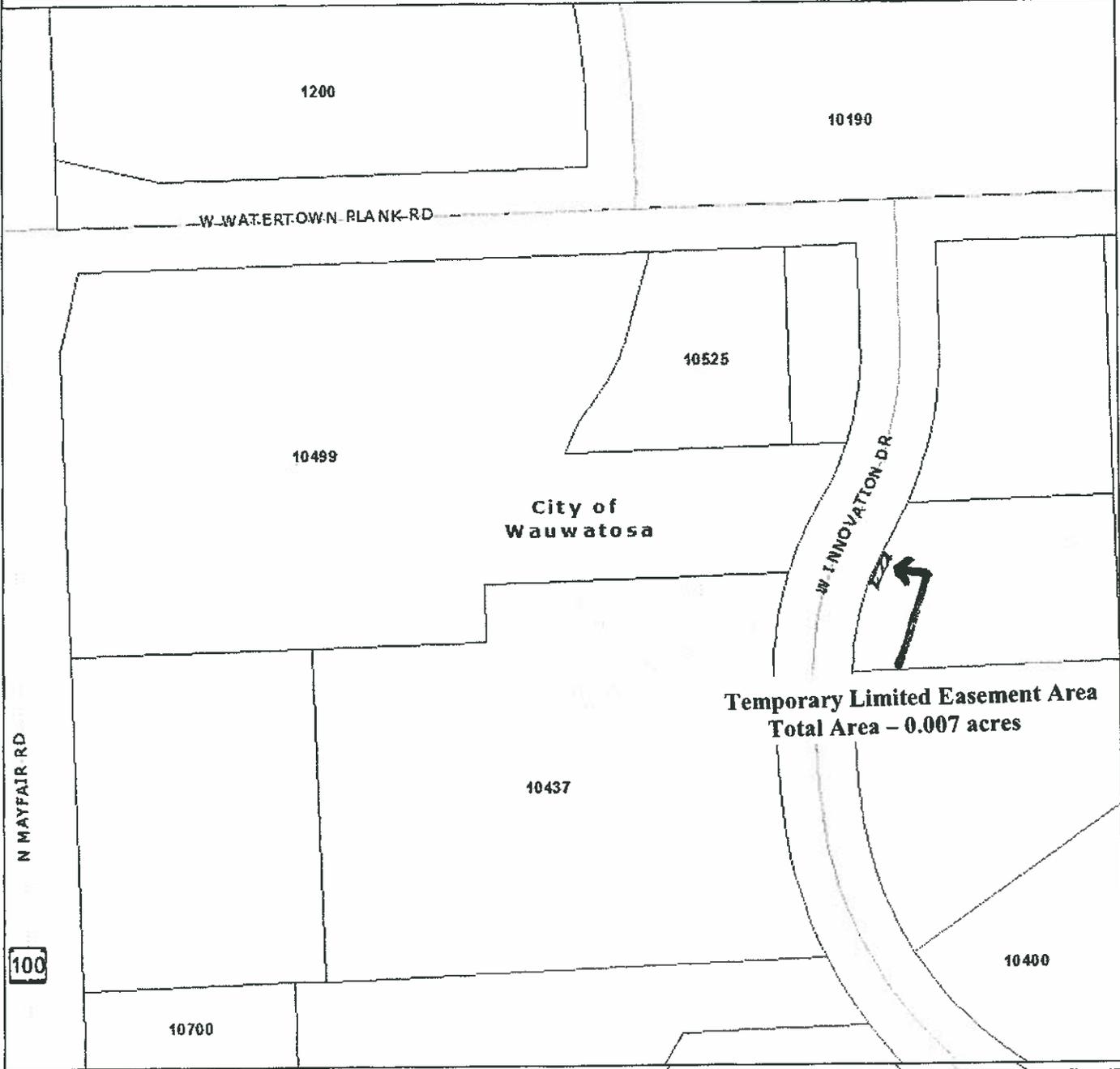
**Excluded** from this easement is any land currently occupied by buildings.

This parcel contains **0.007 acre**, more or less.

**The above temporary limited easement is to terminate upon the completion of this project or on the day the highway is open to the traveling public, whichever is later.**



# MILWAUKEE COUNTY INTERACTIVE MAP SERVICE



### Notes

Parcel 55 Proj. ID 1060-33-22

THIS MAP IS NOT TO BE USED FOR NAVIGATION © MCAMLIS

**DISCLAIMER:** This map is a user generated static output from the Milwaukee County Land Information Office Interactive Mapping Service website. The contents herein are for reference purposes only and may or may not be accurate, current or otherwise reliable. No liability is assumed for the data delineated herein either expressed or implied by Milwaukee County or its employees.

354 0 177 354 Feet

### Legend

1: 2,127

- County Boundary
- Highways, to 8k
- Street Centerlines, 0k to 8k
- Railroad 8k
- Water 8k
- Rivers 8k
- Airport 8k
- Landmarks 8k
- County Parks 8k
- Municipal Subdivisions 25k

**COUNTY OF MILWAUKEE****INTER-OFFICE COMMUNICATION**

**DATE:** June 15, 2012

**TO:** Marina Dimitrijevic, Chairwoman, Milwaukee County Board of Supervisors

**FROM:** Frank Busalacchi, Director, Department of Transportation

**SUBJECT:** Approval of Agreement with Bay View Business Improvement District (BID) #44 for Artistic Bus Shelter Installation.

**POLICY**

Per adopted Resolution File 11-595, County Board approval is required to enter into an agreement with the Bay View BID #44 for the installation of an artistic bus shelter located at the intersection of Kinnickinnic Avenue, Howell Avenue, and Lincoln Avenue.

**BACKGROUND**

On September 29, 2011, the County Board adopted resolution file 11-595 which authorized the Director of Transportation to negotiate an agreement with the Bay View BID #44 in order for \$50,000 in Public Art Program funding to be used as part of the funding for the construction of an artistic bus shelter at the intersection of Kinnickinnic Avenue, Howell Avenue and Lincoln Avenue. Resolution file 11-595 requires the following conditions be met:

- Milwaukee County's contribution shall be limited to \$50,000 of the eligible capital costs for the proposed bus shelter.
- Milwaukee County will own but will not be required to maintain this non-standard bus shelter and the agreement will follow all current policies of MCTS for this type of shelter.
- The use of public art funds will be subject to the review and recommendation of the Public Art Committee, after DAS – Fiscal Affairs confirms that the project is eligible for the allocation of Public Art Program (bond proceeds) funding.
- The negotiated agreement with the Bay View BID will be approved by the County Board after review by the Committee on Transportation, Public Works and Transit.

Now that a project has been selected and a successful bidder has been identified, an agreement between Milwaukee County and the Bay View BID needs to be entered in order for the \$50,000 of Public Art Fund proceeds to be used for the project. Per the terms of the agreement, Milwaukee County will own the shelter; however, all maintenance and upkeep will be the responsibility of the Bay View BID. The agreement for the use of the \$50,000 Public Art Program is attached. Corporation Counsel has reviewed the agreement.

### **RECOMMENDATION**

The Director of Transportation recommends approval of the agreement with Milwaukee County and the Bay View BID #44 to use \$50,000 of Public Art Program funding for the construction of an artistic bus shelter.

Report Prepared by: Brian Dranzik, Director of Administration - DOT

Approved by:

  
Frank Busalacchi, Director  
Department of Transportation

Cc: Chris Abele, Milwaukee County Executive  
Supervisor, Michael Mayo, Sr., Chairman, Transportation, Public Works and Transit  
Amber Moreen, Chief of Staff, Milwaukee County Executive Chris Abele  
Kelly Bablitch, Chief of Staff, County Board of Supervisors  
Pat Farley, Director, Department of Administrative Services  
Craig Kammholz, Fiscal and Budget Administrator, Department of Administrative Services  
Lloyd Grant, Managing Director MCTS  
Pam Bryant, Capital Finance Manager  
James Martin, Fiscal and Budget Analyst, Department of Administrative Services

1 (ITEM ) From the Director, Department of Transportation, requesting approval of an  
2 agreement with Bay View Business Improvement District (BID) #44 to support the  
3 construction of an artistic bus shelter:  
4

5  
6 **A RESOLUTION**  
7

8  
9 WHEREAS, On September 29, 2011, Milwaukee County approved Resolution  
10 File 11-595 authorizing the Director of Transportation to negotiate an agreement with  
11 Bay View BID #44 for the use of \$50,000 of Public Art Program funds to be used for an  
12 artistic bus shelter; and  
13

14 WHEREAS, conditions of the Resolution File 11-595 state that Milwaukee  
15 County will own the shelter; however, the Milwaukee County Transit System will not be  
16 required to maintain the shelter in accordance with its non-standard shelter policy; and  
17

18 WHEREAS, the Bay View BID has agreed to support the on-going maintenance  
19 of the shelter; and  
20

21 WHEREAS, Resolution File 11-595 requires that the County Board is to review  
22 and approve the agreement; now therefore,  
23

24 BE IT RESOLVED, that the Director of Transportation recommends approval of  
25 the an agreement between Milwaukee County and Bay View BID #44 to provide  
26 \$50,000 of Public Art Program funds for the initial construction of a artistic bus shelter at  
27 the intersection of Kinnickinnic, Howell, and Lincoln Avenue with long term maintenance  
28 and up-keep to be provided by Bay View BID #44.  
29  
30  
31  
32

## MILWAUKEE COUNTY FISCAL NOTE FORM

**DATE:** June 14, 2012

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Approval of an Agreement with Milwaukee County and Bay View Business Improvement District (BID) #44 for use of \$50,000 in Public Art Funds for an Artistic Bus Shelter.

**FISCAL EFFECT:**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact<br><input type="checkbox"/> Existing Staff Time Required<br><input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below)<br><input type="checkbox"/> Absorbed Within Agency's Budget<br><input type="checkbox"/> Not Absorbed Within Agency's Budget<br><input type="checkbox"/> Decrease Operating Expenditures<br><input type="checkbox"/> Increase Operating Revenues<br><input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures<br><input type="checkbox"/> Decrease Capital Expenditures<br><input type="checkbox"/> Increase Capital Revenues<br><input type="checkbox"/> Decrease Capital Revenues<br><input type="checkbox"/> Use of contingent funds |
|---|--|

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	Expenditure or Revenue Category	Current Year	Subsequent Year
<b>Operating Budget</b>	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
<b>Capital Improvement Budget</b>	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

## DESCRIPTION OF FISCAL EFFECT

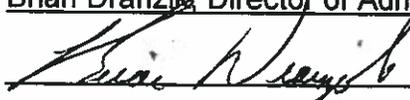
In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. <sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

This resolution approves an agreement between Milwaukee County and Bay View Business Improvement District (BID) #44 allowing for the use of \$50,000 in Public Art Fund proceeds for the initial construction of an artistic bus shelter at the intersection of Kinnickinnic Avenue, Howell Avenue and Lincoln Avenue. Per the terms of the agreement, MCTS will not be responsible for the ongoing maintenance and upkeep of the structure. These funds have already been budgeted for from existing Public Art Fund reserves so there is no impact to the current approved budget.

Department/Prepared By Brian Dranzik, Director of Administration - DOT

Authorized Signature

  
\_\_\_\_\_

Did DAS-Fiscal Staff Review?     Yes     No

<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

**INTERGOVERNMENTAL AGREEMENT  
BETWEEN  
BAY VIEW BUSINESS IMPROVEMENT DISTRICT NO. 44  
AND  
MILWAUKEE COUNTY**

This agreement made and entered into by and between the Bay View Business Improvement District No. 44 (hereinafter called the "District") and Milwaukee County (hereinafter called the "County") provides for the construction of a bus shelter within Bay View Business Improvement District No. 44.

1. General Conditions:

- A. The Bay View Business Improvement District No. 44 has initiated a Request for Proposal (RFP) to construct a unique bus shelter to enhance the attractiveness of the neighborhood raising funds from various sources to support the design and construction of the awarded project.
- B. The District will be responsible for and perform all work associated with the construction of the bus shelter by contracting with a third party for such construction.
- C. The County will support the bus shelter project by providing a \$50,000 grant from the County Public Art Program to be used for part of the initial costs of constructing the shelter on the triangular section of land owned by the City of Milwaukee at South

Kinnickinnic Avenue, West Lincoln Avenue, and South Howell Avenue.

- D. Upon completion of the construction, the ownership of the bus shelter will be transferred to the County. The District shall be responsible for providing all of the necessary and appropriate documents to effectuate the transfer of the shelter to the County.
- E. Maintenance, upkeep, and the removal or replacement of the shelter will be provided by the District. The County shall have no responsibility for any maintenance, upkeep, or the removal or replacement of the shelter.

2. Other Obligations of the District

- A. The District shall maintain all property and liability coverage for the shelter and surrounding area with coverage to extend to the County.
- B. The District will identify a facility liaison to assure prompt response to issues requiring action by the District or joint action by the District and the County. In general, the shelter will be maintained at a level at least equal to other County public buildings.
- C. The District shall be responsible for snow and ice removal at the shelter and all surrounding paved areas.

3. Financial and Liability Coverage

- A. The District agrees to pay all operating expenses for the shelter and its site. Operating expenses shall include all costs associated with the safe operation of the shelter, including utilities and routine maintenance.
  
- B. The District agrees to the fullest extent permitted by law to indemnify, defend and hold the County harmless, including its agents, officers and employees, from and against all loss or expense, including costs and attorneys fees, by reason of claims made under worker's compensation law and/or liability for damages or loss including suits at law or in equity, caused by any wrongful, intentional, or negligent act or omission of the District, or its agents which may arise out of or are connected with the activities or operations of the District covered by this Agreement, including any claim or award of damages arising out of the operation of the shelter, all without the County waiving any governmental immunity or other right available to the County under Wisconsin Law.

4. Duration

This agreement shall continue and be in force from this day forward. This agreement may only be terminated by the written consent of both parties.



DRAFT

STATE OF WISCONSIN )  
 ) SS  
MILWAUKEE COUNTY )

Personally came before me this \_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_\_, the above-named Frank Busalacchi, Director, Department of  
Transportation for Milwaukee County, known to be the person who  
executed the foregoing instrument on behalf of the State of Wisconsin,  
and acknowledged the same to be the free act and deed of said State,  
made by its authority.

\_\_\_\_\_  
Notary Public, Milwaukee Co., Wisconsin  
My commission expires: \_\_\_\_\_

Personally came before me this \_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_\_, the above-named \_\_\_\_\_ known to be the  
person who executed the foregoing instrument on behalf of BAY VIEW  
BUSINESS IMPROVEMENT DISTRICT NO. 44, and acknowledged the same to be  
the free act and deed of said State, made by its authority.

\_\_\_\_\_  
Notary Public, \_\_\_\_\_  
My commission expires: \_\_\_\_\_

L:\Users\TKARASKIEWICZ\Intergovernmental Agreements\Bay View Bus Shelter.doc

COUNTY OF MILWAUKEE

INTEROFFICE COMMUNICATON

**DATE:** May 24, 2012

**TO:** Supervisor Michael Mayo, Sr.  
Chairperson, Transportation, Public Works & Transit Committee

**FROM:** Frank Busalacchi Director, Milwaukee County Department of Transportation (MCDOT)  
Andrea Weddle-Henning, Resident Contract Manager, MCDOT-Transportation Services

**SUBJECT:** Five-Year Capital Improvement Program (2013-2017)-MCDOT Transportation Services

**POLICY**

Share the TPW & T Committee on the 5-Year Capital Improvement Program (2013-2017) for MCDOT Transportation Services.

**BACKGROUND**

MCDOT Transportation Services has 22 transportation projects on the 5-Year Capital Improvement Program (2013-2017). Of the 22 transportation projects, 11 have Federal and/or State funding participation secured and 2 projects have pending Federal and/or State funding. As Federal and/or State funding is secured, the 5-Year Capital Improvement Program (2013-2017) will be updated accordingly. The funding sources are listed in the 5-Year Capital Improvement Program (2013-2017).

There are 4 existing on-going projects shown in the 5-Year Capital Improvement Program (2013-2017) which are highlighted in green. All of the remaining 18 projects are new projects. As MCDOT Transportation Services applies for and secures additional Federal and/or State funding for more new projects, the project will be added accordingly to the 5-Year Capital Improvement Program (2013-2017).

**RECOMMENDATION**

This Report is for informational purposes.

Report Prepared By: Andrea Weddle-Henning, Resident Contract Manager,  
MCDOT Transportation Services

Report Approved By:

X   
 \_\_\_\_\_  
 Frank Busalacchi, Director MCDOT

FIVE-YEAR CAPITAL IMPROVEMENTS PROGRAM (2013-2017)

*Sub Project Number	Project Description	**Project Funding Source	Project Funding Secured	Project Funding Deadline	2013 Projected Budget	2014		2015		2016		2017		TOTAL PROJECTED BUDGET	TOTAL BOND AMOUNT
						Projected Budget	Bond Amount	Projected Budget	Bond Amount	Projected Budget	Bond Amount	Projected Budget	Bond Amount		
<b>DEPARTMENT OF TRANSPORTATION (MCDOT)</b>															
1	1	S. 76th St. Intersect. w/Edgerton & Layton Ave.-2160-15-00	HSIP	Yes	2014	112,000	11,200	0	0	0	0	0	0	112,000	11,200
	2	S. 76th St. Intersect. w/Edgerton & Layton Ave.-2160-15-70	HSIP	Yes	2014	0	0	693,000	69,300	0	0	0	0	693,000	69,300
2	1	Pedestrian Countdown Signal Heads, 49 Various Locations-2967-16-00	HSIP	Yes	2015	60,000	6,000	0	0	0	0	0	0	60,000	6,000
	2	Pedestrian Countdown Signal Heads, 49 Various Locations-2967-16-70	HSIP	Yes	2015	375,000	37,500	0	0	0	0	0	0	375,000	37,500
3	1	CTH Y-Layton Ave. Intersection w/S. 60th St.-2070-09-00	HSIP	Yes	2015	98,000	9,800	98,000	9,800	0	0	0	0	196,000	19,600
	2	CTH Y-Layton Ave. Intersection w/S. 60th St.-2070-09-70	HSIP	Yes	2015	0	0	0	0	668,000	66,800	0	0	668,000	66,800
	<b>Total WH001</b>					<b>645,000</b>	<b>64,500</b>	<b>791,000</b>	<b>79,100</b>	<b>668,000</b>	<b>66,800</b>	<b>0</b>	<b>0</b>	<b>2,104,000</b>	<b>210,400</b>
4	1	Inter-jurisdictional Traffic System CMAQ-1693-32-06	CMAQ	Yes	2012	0	0	0	0	0	0	0	0	0	0
	2	Inter-jurisdictional Traffic System CMAQ-1693-06-76	CMAQ	Yes	2012	500,000	139,064	0	0	0	0	0	0	500,000	139,064
5	1	Traffic Signal Optimization-1693-36-01	CMAQ	Yes	2014	316,216	63,243	0	0	0	0	0	0	316,216	63,243
	<b>Total WH002</b>					<b>816,216</b>	<b>202,307</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>816,216</b>	<b>202,307</b>
6	1	Reconst. Mill Rd. 43rd St. to Teutonia Ave.-2216-01-00	STP	Yes	2015	377,275	75,455	377,275	75,455	0	0	0	0	754,550	150,910
	2	Reconst. Mill Rd. 43rd St. to Teutonia Ave.-2216-01-70	STP	No	2015	0	0	0	0	5,500,000	1,100,000	0	0	5,500,000	1,100,000
	3	Reconst. Mill Rd. 43rd St. to Teutonia Ave.-2216-01-20	STP	Yes	2015	0	0	375,000	75,000	0	0	0	0	375,000	75,000
7	1	Reconst. 13th: Drexel to Rawson	STP	No		0	0	300,000	60,000	300,000	60,000	0	0	600,000	120,000
	2	Reconst. 13th: Drexel to Rawson	STP	No		0	0	0	0	0	0	4,000,000	800,000	4,000,000	800,000
	3	Reconst. 13th: Drexel to Rawson	STP	No		0	0	0	0	500,000	100,000	0	0	500,000	100,000
8	1	S.76th St. - Puetz to Imperial-2160-10-00	STP	Yes	2017	200,000	50,000	128,900	29,100	0	0	0	0	328,900	79,100
	2	S.76th St. - Puetz to Imperial-2160-10-70	STP	Yes	2017	0	0	3,609,316	783	0	0	0	0	3,609,316	783
	3	S.76th St. - Puetz to Imperial-2160-10-20	STP	Yes	2017	429,200	74,800	0	0	0	0	0	0	429,200	74,800
9	1	Old Loomis Rd- Warwick to Rawson & 76th to Hollow Ln.-WH010191	CHIP	Pending	Pending	0	0	38,500	29,000	0	0	0	0	38,500	29,000
	2	Old Loomis Rd- Warwick to Rawson & 76th to Hollow Ln.-WH010192	CHIP	Pending	Pending	0	0	0	0	580,000	316,056	0	0	580,000	316,056
10	1	W. St. Martins Rd. - S. North Cape Rd. to S. Lovers Lane Rd.-WH010211	CHIP	Pending	Pending	0	0	71,500	56,000	0	0	0	0	71,500	56,000
	2	W. St. Martins Rd. - S. North Cape Rd. to S. Lovers Lane Rd.-WH010212	CHIP	Pending	Pending	0	0	0	0	1,100,000	619,818	0	0	1,100,000	619,818
11	1	Reconst. 13th: Puetz to Drexel	STP	No		0	0	200,000	40,000	200,000	40,000	200,000	40,000	600,000	120,000
	2	Reconst. 13th: Puetz to Drexel	STP	No		0	0	0	0	0	0	4,000,000	800,000	4,000,000	800,000
	3	Reconst. 13th: Puetz to Drexel	STP	No		0	0	0	0	0	0	500,000	100,000	500,000	100,000
	<b>Total WH010</b>					<b>1,006,475</b>	<b>200,255</b>	<b>5,100,491</b>	<b>365,338</b>	<b>8,180,000</b>	<b>2,235,874</b>	<b>4,700,000</b>	<b>940,000</b>	<b>22,986,966</b>	<b>4,541,467</b>
12	1	S. 68th St. - W. Ryan Rd. to House of Corrections-WH020121	CHIP	Yes	2015	30,000	22,500	0	0	0	0	0	0	30,000	22,500
	2	S. 68th St. - W. Ryan Rd. to House of Corrections-WH020122	CHIP	Yes	2015	0	0	580,000	395,426	0	0	0	0	580,000	395,426
13	1	S. North Cape Rd.- Hi-View Dr. to S. Carroll Cir.-WH020151	CHIP	Yes	2015	90,000	67,500	0	0	0	0	0	0	90,000	67,500
	2	S. North Cape Rd.- Hi-View Dr. to W. Forest Home Ave.-WH020152	CHIP	Yes	2015	0	0	1,500,000	946,280	0	0	0	0	1,500,000	946,280
14	1	E. Layton Ave. - S. Howell Ave. to S. Pennsylvania Ave.-WH020161	CHIP	No		0	0	90,000	70,000	90,000	70,000	0	0	180,000	140,000
	2	E. Layton Ave. - S. Howell Ave. to S. Pennsylvania Ave.-WH020162	CHIP	No		0	0	0	0	1,800,000	1,000,000	0	0	1,800,000	1,000,000

FIVE-YEAR CAPITAL IMPROVEMENTS PROGRAM (2013-2017)

*Sub Project Number	Project Description	**Project Funding Source	Project Funding Secured	Project Funding Deadline	2013 Projected Budget	2014		2015		2016		2017		TOTAL PROJECTED BUDGET	TOTAL BOND AMOUNT	
						Bond Amount	Projected Budget	Bond Amount	Projected Budget	Bond Amount	Projected Budget	Bond Amount	Projected Budget			
<b>DEPARTMENT OF TRANSPORTATION (MCDOT)</b>																
15	1	W. Layton Ave. - S. 76th St. to S. 60th St.-WH020171	CHIP	No	0	0	80,000	60,000	80,000	60,000	0	0	0	0	160,000	120,000
	2	W. Layton Ave. - S. 76th St. to S. 60th St.-WH020172	CHIP	No	0	0	0	0	1,600,000	800,000	0	0	0	0	1,600,000	800,000
16	1	W. Layton Ave. - S. 60th St. to W. Loomis Rd.-WH020181	CHIP	No	0	0	0	0	0	160,000	120,000	0	0	160,000	120,000	
	2	W. Layton Ave. - S. 60th St. to W. Loomis Rd.-WH020182	CHIP	No	0	0	0	0	0	0	0	1,600,000	800,000	1,600,000	800,000	
	<b>Total WH020</b>				<b>120,000</b>	<b>90,000</b>	<b>2,250,000</b>	<b>1,471,706</b>	<b>3,570,000</b>	<b>1,930,000</b>	<b>160,000</b>	<b>120,000</b>	<b>1,600,000</b>	<b>7,700,000</b>	<b>4,411,706</b>	
17	1	N. 107th St. Brown Deer to NCL-WH022011	CHIP	Yes	2015	0	0	0	0	0	0	0	0	0	0	
	2	N. 107th St. Brown Deer to NCL-WH022012	CHIP	Pending	2015	2,359,300	444,484	0	0	0	0	0	0	2,359,300	444,484	
	3	N. 107th St. Brown Deer to NCL-WH022013	CHIP	Yes	2015	0	0	0	0	0	0	0	0	0	0	
	<b>Total WH022</b>				<b>2,359,300</b>	<b>444,484</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,359,300</b>	<b>444,484</b>	
18	1	Whitnall Park Bridge P-40-0721 Root River-2660-04-00	STP	Yes	2017	0	0	0	0	0	0	0	0	0	0	
	2	Whitnall Park Bridge P-40-0721 Root River-2660-04-70	STP	Yes	2017	0	0	0	0	0	0	0	0	0	0	
19	1	Whitnall Park Bridge P-40-0713 Root River-2981-00-02	STP	Yes	2017	145,000	29,000	0	0	0	0	0	0	145,000	29,000	
	2	Whitnall Park Bridge P-40-0713 Root River-2981-00-72	STP	Yes	2017	759,000	151,800	0	0	0	0	0	0	759,000	151,800	
	<b>Total WH030</b>				<b>904,000</b>	<b>180,800</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>904,000</b>	<b>180,800</b>	
20	1	Mason St. Bridge B-40-0524 Lincoln Memorial Dr.-2984-00-02	STP	Pending		0	0	470,000	94,000	0	0	0	0	470,000	94,000	
	2	Mason St. Bridge B-40-0524 Lincoln Memorial Dr.-2984-00-72	STP	Pending		0	0	0	0	0	4,822,000	964,400	0	4,822,000	964,400	
21	1	S. 76th St. Root River Bridge #0575-WH080141	STP	Pending		0	0	0	0	0	0	0	0	0	0	
	2	S. 76th St. Root River Bridge #0575-WH080142	STP	Pending		0	0	735,300	147,060	0	0	0	0	735,300	147,060	
22	1	S. 76th St. Root River Bridge #0576-WH080151	STP	Pending		0	0	0	0	0	0	0	0	0	0	
	2	S. 76th St. Root River Bridge #0576-WH080152	STP	Pending		0	0	735,300	147,060	0	0	0	0	735,300	147,060	
23	1	W. Layton Ave. Bridge B-40-0013 Root River-2070-00-03	STP	Pending		0	0	199,000	39,800	0	0	0	0	199,000	39,800	
	2	W. Layton Ave. Bridge B-40-0013 Root River-2070-00-73	STP	Pending		0	0	0	0	973,000	194,600	0	0	973,000	194,600	
24	1	Mill Rd. Bridge B-40-0936 Oak Creek-2575-00-03	STP	Pending		0	0	157,000	31,400	0	0	0	0	157,000	31,400	
	2	Mill Rd. Bridge B-40-0936 Oak Creek-2575-00-73	STP	Pending		0	0	0	0	892,000	178,400	0	0	892,000	178,400	
	<b>Total WH080</b>				<b>0</b>	<b>0</b>	<b>2,296,600</b>	<b>459,320</b>	<b>1,865,000</b>	<b>373,000</b>	<b>4,822,000</b>	<b>964,400</b>	<b>0</b>	<b>8,983,600</b>	<b>1,796,720</b>	
25	1	Ryan Rd Culvert East of S 112th	N/A	N/A	N/A	40,000	40,000	0	0	0	0	0	0	40,000	40,000	
	2	Ryan Rd Culvert East of S 112th	N/A	N/A	N/A	0	0	280,000	280,000	0	0	0	0	280,000	280,000	
	<b>Total WH087</b>				<b>40,000</b>	<b>40,000</b>	<b>280,000</b>	<b>280,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>320,000</b>	<b>320,000</b>	
<b>TOTAL MCDOT PROJECTS</b>					<b>5,890,991</b>	<b>1,222,346</b>	<b>10,718,091</b>	<b>2,655,464</b>	<b>14,283,000</b>	<b>4,605,674</b>	<b>9,682,000</b>	<b>2,024,400</b>	<b>5,600,000</b>	<b>1,600,000</b>	<b>46,174,082</b>	<b>12,107,884</b>

- \*1- Design
- 2- Construction
- 3- Real Estate

\*\*HSIP- Highway Safety Improvement Project- 90% Federal/State and 10% MCDOT  
 CMAQ- Congestion Mitigation & Air Quality- 80% Federal/State and 20% MCDOT  
 STP- Surface Transportation Program- 80% Federal/State and 20% MCDOT

**COUNTY OF MILWAUKEE**  
Inter-Office Communication

**DATE:** June 22, 2012

**TO:** Marina Dimitrijevic, Chairwoman County Board of Supervisors  
Michael Mayo, Sr., Chairman, Transportation, Public Works and Transit Committee

**FROM:** Frank Busalacchi, Director, Department of Transportation

**SUBJECT:** **AIRPORT JOINT USE AGREEMENT WITH THE 128<sup>TH</sup> AIR NATIONAL GUARD REFUELING WING**

**POLICY**

County Board approval is required for airfield joint use agreements with the 128<sup>th</sup> Air National Guard Refueling Wing.

**BACKGROUND**

On April 30, 2010, Milwaukee County entered into Airport Agreement No. MT-2004 with the United States of America and the State of Wisconsin for the use of the Jointly Used Flying Facilities at General Mitchell International Airport (GMIA) by the 128<sup>th</sup> Air National Guard Refueling Unit. The agreement was for a term of three (3) years, commencing January 1, 2009, and ending December 31, 2011.

Negotiations have taken place over the past several months and an agreement has been reached for the Wisconsin Air National Guard's (WANG) continued use of, and payment for, the runways and taxiways at GMIA.

Representatives from the United States of America and the State of Wisconsin have requested to enter into a new Airport Joint Use Agreement that establishes a proportionate landing fee use payment of the military for the joint-use of General Mitchell International Airport.

**RECOMMENDATION**

Airport staff recommends that Milwaukee County enter into an Airport Joint-Use Agreement between Milwaukee County and the United States of America and the State of Wisconsin for a period of five (5) years, beginning January 1, 2012, and ending December 31, 2016.

**FISCAL NOTE**

Airport revenues from the Airport Joint Use Agreement will be approximately \$48,610.45 per year for the five (5) year term and are calculated as the military's proportionate share of the annual expenses associated with the airfield costs at General Mitchell International Airport.

Chairwoman Marina Dimitrijevic  
Supv. Michael Mayo, Sr.  
June 22, 2012  
Page 2

Prepared by: Steven Wright, A.A.E., Airport Properties Manager

Approved by:

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Frank Busalacchi, Director  
Department of Transportation

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C. Barry Bateman  
Airport Director

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(ITEM ) From the Director of Transportation and Public Works requesting authorization to enter into an Airport Joint Use Agreement between Milwaukee County and the United States of America and the State of Wisconsin for the continued use of the Jointly Used Flying Facilities at General Mitchell International Airport (GMIA) by recommending adoption of the following.

**RESOLUTION**

WHEREAS, on April 30, 2010, Milwaukee County entered into Airport Agreement No. MT-2004 with the United States of America and the State of Wisconsin for the use of the Jointly Used Flying Facilities at GMIA by the 128<sup>th</sup> Air National Guard Refueling Unit; and

WHEREAS, the agreement was for a term of three (3) years, commencing January 1, 2009, and ending December 31, 2011; and

WHEREAS, representatives from the United States of America and the State of Wisconsin have requested to enter into an Airport Joint Use Agreement for a term of five (5) years that establishes proportionate responsibility of the military relating to the joint-use of General Mitchell International Airport; and

WHEREAS, the Transportation, Public Works and Transit Committee, at its meeting on July 11, 2012 , recommended approval (vote\_\_\_-\_\_\_) to enter into an Airport Joint Use Agreement between Milwaukee County and the United States of America and the State of Wisconsin, beginning January 1, 2012, and ending December 31, 2016,now, therefore,

BE IT RESOLVED, that the Director of Transportation and the County Clerk are hereby authorized to enter into an Airport Joint Use Agreement between Milwaukee County and the United States of America and the State of Wisconsin for a period of five (5) years, beginning January 1, 2012, and ending December 31, 2016.

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**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** June 22, 2012

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT: AIRPORT JOINT USE AGREEMENT WITH THE 128<sup>TH</sup> AIR NATIONAL GUARD REFUELING WING**

**FISCAL EFFECT:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact                                     | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required  | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues     |
| <input checked="" type="checkbox"/> Absorbed Within Agency's Budget                                    | <input type="checkbox"/> Decrease Capital Revenues     |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget   |  |
| <input type="checkbox"/> Decrease Operating Expenditures   | <input type="checkbox"/> Use of Contingent Funds       |
| <input type="checkbox"/> Increase Operating Revenues   |  |
| <input type="checkbox"/> Decrease Operating Revenues   |  |

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
<b>Capital Improvement Budget</b>	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. <sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

**Airport Revenues from the Airport Joint Use Agreement will be approximately \$48,610.45 per year for the five (5) year term and are calculated as the military's proportionate share of the annual expenses associated with the airfield costs at General Mitchell International Airport. There is no impact on the tax levy of Milwaukee County.**

Department/Prepared by: Steven A. Wright, A.A.E., Airport Properties Manager

Authorized Signature \_\_\_\_\_

Did DAS-Fiscal Staff Review?  Yes  No  
Reviewed by:

H:\Private\Clerk Typist\Aa01\TPW&T 12\07- Jul 2012\FISCAL NOTE - Joint Use Agmt-128th (rev2).docx

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<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

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# **AIRPORT JOINT USE AGREEMENT**

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BETWEEN

**COUNTY OF MILWAUKEE**

AND

**UNITED STATES OF AMERICA**

AND

**STATE OF WISCONSIN**

**(GENERAL MITCHELL INTERNATIONAL AIRPORT)**

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## **AIRPORT JOINT USE AGREEMENT**

THIS AGREEMENT made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2012, by and between the COUNTY OF MILWAUKEE, a municipal corporation in the State of Wisconsin ("County"); and the UNITED STATES OF AMERICA, acting by and through the Chief, National Guard Bureau, and the STATE OF WISCONSIN, acting by and through its Adjutant General (collectively, "Government").

### **RECITALS**

A. The County owns and operates General Mitchell International Airport, located in the City of Milwaukee, County of Milwaukee, State of Wisconsin.

B. Title 49, United States Code, Chapter 471, "Airport Development," (49 U.S.C. Sections 47101-47129), provides that each of the Airport's facilities developed with financial assistance from the United States Government and each of the Airport's facilities usable for the landing and taking off of aircraft always will be available without charge for use by Government aircraft in common with other aircraft, except that if the use is substantial, the Government may be charged a reasonable share, proportionate to the use, of the cost of operating and maintaining the facility used.

C. The Government requires substantial use of the flying facilities at the Airport for the Wisconsin Air National Guard, and Air Force Reserves, as well as for other occasional transient government aircraft.

D. The County is agreeable to such substantial use, in common with other users of the Airport, of the flying facilities by the Government under this Agreement.

E. The Government and the County desire to provide for the delineation of responsibility for operation and maintenance of the flying facilities jointly used in common with others at the Airport, and to establish the Government's reasonable share, proportional to such use, of the cost of operating and maintaining such jointly used flying facilities.

### **AGREEMENT:**

#### **1. DEFINITIONS**

For purposes of this Agreement, the jointly used flying facilities of the Airport are the runways, taxiways, lighting systems, navigational aids, markings and appurtenances open to public use and use by the Government, including all improvements and facilities pertaining thereto and situated thereon and all future additions, improvements, and facilities thereto as may be added or constructed from time to time ("Jointly Used Flying Facilities"). The Jointly Used Flying Facilities do not include land areas used exclusively by the Government or the terminal buildings, hangars, aircraft parking aprons and ramps, or other areas or structures used

exclusively by the County or its lessees, permittees, or licensees for civilian or commercial purposes.

## **2. JOINT USE**

Subject to the terms and conditions of this Agreement, the Government shall have the use, in common with other users of the Airport, present and prospective, of the Jointly Used Flying Facilities, together with all necessary and convenient rights of ingress and egress to and from the Milwaukee Air National Guard and Air Force Reserve installations and other Government facilities located on the Airport. Routes for ingress and egress for the Government's employees, agents, customers and contractors shall not unduly restrict the Government in its operations.

## **3. COUNTY RESPONSIBILITIES**

The County will be responsible for the following services and functions, to standards in accordance with Paragraph 6 below:

a. Furnishing all personnel, materials and equipment required in the rendering of the services to be provided under the Agreement.

b. Performing any and all maintenance of the Jointly Used Flying Facilities, including but not limited to:

(1) Joint sealing, crack repair, surface repairs, airfield markings and repair or replacement of damaged sections of airfield pavement;

(2) Runway, taxiway, and approach lighting and the regulators and controls thereof;

(3) Beacons, obstruction lights, wind indicators, and other navigational aids;

(4) Grass cutting and grounds care, drainage, and dust and erosion control of unpaved areas, adjacent to runways and taxiways;

(5) Sweeping runways and taxiways;

(6) Controlling insects and pests;

(7) Removing snow, ice and other hazards from runways and taxiways within a reasonable time after such runways and taxiways have been so encumbered.

c. Furnishing utilities necessary to operate the Jointly Used Flying Facilities.

d. Removing disabled aircraft as expeditiously as possible, subject to the rules and regulations of the National Transportation Safety Board, in order to minimize the time the Jointly Used Flying Facilities, or any part thereof, would be closed because of such aircraft.

#### **4. GOVERNMENT RESPONSIBILITIES**

The Government will be responsible for the following:

a. Removing disabled Government aircraft as expeditiously as possible in order to minimize the time the Jointly Used Flying Facilities, or any part thereof, would be closed because of such aircraft.

b. Removing snow and ice from all ramps, aprons, and taxiways used exclusively by Government aircraft.

c. Subject to availability of appropriations therefor, repairing within a reasonable time damage to the Jointly Used Flying Facilities to the extent that such damage is caused solely by Government aircraft operations and is in excess of the fair wear and tear resulting from the military use contemplated under this Agreement.

d. For accounting purposes, submitting quarterly reports of the Government's landing activity at the Airport.

#### **5. PAYMENTS**

a. In consideration of and for the faithful performance of this Agreement, and subject to the availability of Federal appropriations, the Government shall pay to the County as its proportionate share of operating and maintaining the Jointly Used Flying Facilities, an amount each year during the term of this Agreement of FORTY EIGHT THOUSAND SIX HUNDRED TEN DOLLARS and 49/100 (\$49,610.45) payable in equal quarterly installments of TWELVE THOUSAND ONE HUNDRED FIFTY-TWO DOLLARS and 61/100 (\$12,152.61) each.

b. Payments for the periods set out in Paragraph 5a above shall be made upon submission of appropriate invoices to the Government as designated in Paragraph 5c below; provided, however, that if during the term of this Agreement, sufficient funds are not available through the annual appropriations at the beginning of any fiscal year to carry out the provisions of this Agreement, the Government will so notify the County in writing.

c. Bills for the payments provided hereunder shall be directed to:

128 ARW/CE  
Wisconsin Air National Guard  
1919 East Grange Avenue  
Milwaukee, Wisconsin 53207-6151

or to such other address as the Government may from time to time provide to the County in writing.

d. Payments shall be remitted to:

Office of Airport Director  
General Mitchell International Airport  
5300 South Howell Avenue  
Milwaukee, Wisconsin 53207-6189

e. Either party may request renegotiation if either party, at the request or with the formal concurrence of the other, as the case may be, requires services not contemplated by this Agreement, or reduces or eliminates services it undertakes to provide under this Agreement.

f. The Government may request in writing the renegotiation or suspension of its prorated share of operations and maintenance cost, if the Airport Authority conducts Joint Use Projects in accordance with Paragraph 13e of this Agreement, The Authority and Government shall modify the Agreement in writing to reflect changes to Paragraph 5a.

## **6. AIRFIELD MANAGEMENT**

a. The County agrees that maintenance of the Jointly Used Flying Facilities shall, at all times, be in accordance with Federal Aviation Administration (“FAA”) standards for the operation of a commercial airport and operation of jet aircraft.

b. The Government agrees that any markings and equipment installed by it pursuant to Paragraph 7 of the Agreement shall be coordinated with the County, and not be in conflict with FAA standards.

## **7. GOVERNMENT RESERVED RIGHTS**

The Government reserves the right, at its sole cost and expense and subject to Paragraph 6b above, to:

a. Provide and maintain in the Jointly Used Flying Facilities airfield markings required solely for military aircraft operations.

b. Install, operate and maintain in the Jointly Used Flying Facilities any and all additional equipment, necessary for the safe and efficient operation of military aircraft including but not limited to arresting systems and navigational aids.

## **8. FIRE PROTECTION AND CRASH RESCUE**

The parties to this Agreement have entered into a separate reciprocal fire protection agreement, which sets forth each party's responsibilities of fire protection and crash rescue services.

## **9. RECORDS AND BOOKS OF ACCOUNT**

The County agrees to keep records and books of account, showing the actual cost to it of all items of labor, materials, equipment, supplies, services, and other expenditures made in fulfilling the obligations of this Agreement. The Comptroller General of the United States or any of his or her duly authorized representatives shall, until the expiration of three (3) years after final payment, have access at all times to such records and books of account, or to any directly pertinent books, documents, papers, and records of any of the County's contractors or subcontractors engaged in the performance of and involving transactions related to this Agreement. The County further agrees that representatives of the Air Force Audit Agency or any other designated representative of the Government shall have the same right of access to such records, books of account, documents and papers as is available to the Comptroller General. Nothing contained in this Paragraph shall diminish or in any way adversely affect the Government's right to discovery in any pending or future litigation.

## **10. TERM**

a. This Agreement shall be effective for a term of five (5) years beginning January 1, 2012, and ending December 31, 2016.

## **11. TERMINATION**

a. This Agreement may be terminated by the Government with or County at any time by giving at least thirty (30) days' notice thereof in writing.

b. (1) The Government, by giving written notice to the County, may terminate the right of the County to proceed under this Agreement if it is found, after notice and hearing by the Secretary of the Air Force or his or her duly authorized representative, that gratuities in the form of entertainment, gifts, or otherwise, were offered or given by the County, or any agent or representative of the County, to any officer or employee of the Government with a view toward securing this Agreement or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performing of such agreement, provided that the existence of the facts upon which the Secretary of the Air Force or his or her duly authorized representative makes such findings shall be an issue and may be reviewed in any competent court.

(2) In the event this Agreement is terminated as provided in subparagraph 11b(1) above, the Government shall be entitled to pursue the same remedies against the County as it could pursue in the event of a breach of the Agreement by the County and in addition to any other damages to which it may be entitled by law, the Government shall be entitled to exemplary damages in an amount (as determined by the Secretary of the Air Force or his or her duly authorized representative) which shall be not less than three (3) or more than ten (10) times the costs incurred by the County in providing any such gratuities to any such officer or employee.

(3) The rights and remedies of the Government provided in subparagraph 11b(2) above shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

## **12. GENERAL PROVISIONS**

a. **Compliance with Law.** The County shall comply with all Federal, state and local laws, rules and regulations applicable to the activities conducted under this Agreement.

b. **Assignment.** The County shall neither transfer nor assign this Agreement without the prior written consent of the Government, which shall not be unreasonably withheld or delayed.

c. **Liability.** Except as otherwise provided in this Agreement,, neither party shall be liable for damages to property or injuries to persons arising from acts of the other in the use of the Jointly Used Flying Facilities or occurring as a consequence of the performance of responsibilities under this Agreement.

d. **Third Party Benefit.** No member or delegate to Congress shall be admitted to any share or part of this Agreement or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this Agreement if made with a corporation for its general benefit.

e. **Entire Agreement.** It is expressly agreed that this written instrument embodies the entire financial arrangement and agreement of the parties regarding the use of the Jointly Used Flying Facilities by the Government, and there are no understandings or agreements, verbal or otherwise, between the parties in regard to it except as expressly set forth herein. Specifically, no landing fees or other fees not provided in this Agreement will be assessed by the County against the Government in the use of the Jointly Used Flying Facilities during the term of this Agreement.

f. **Modification.** This Agreement may only be modified or amended by mutual agreement of the parties in writing and signed by each of the parties hereto.

g. **Waiver.** The failure of either party to insist, in any one or more instances, upon the strict performance of any of the terms, conditions, covenants, or provisions of this Agreement

shall not be construed as a waiver or relinquishment of the right to the future performance of any such terms, conditions, covenants, or provisions. No provision of this Agreement shall be deemed to have been waived by either party unless such waiver be in writing signed by such party.

i. Paragraph Headings. The brief headings or titles preceding each Paragraph and subparagraph are merely for purposes of identification, convenience, and ease of reference, and will be completely disregarded in the construction of this Agreement.

### **13. MAJOR REPAIRS AND NEW CONSTRUCTION**

Major repair projects and/or new construction projects required for the Jointly Used Flying Facilities (collectively, "Joint Use Projects") are not included under this Agreement. Any Government contribution to Joint Use Projects shall be the subject of separate negotiations and written agreement between the County and the Government at such time as the work is required. Any Government participation in the costs of Joint Use Projects is subject to the availability of Federal funds for such purpose at the time the work is required.

### **14. NOTICES**

No notice, order, direction, determination, requirement, consent or approval under this Agreement shall be of any effect unless it is in writing and addressed as provided herein.

a. Written communications to the County shall be addressed to:

Office of Airport Director  
General Mitchell International Airport  
5300 South Howell Avenue  
Milwaukee, Wisconsin 53207-6189

b. Written communications to the Government shall be in duplicate with copies to the United States of America and the State of Wisconsin addressed respectively, as follows:

To the United States of America:

NGB/A7  
3501 Fetchet Avenue  
Joint Base Andrews, Maryland 20762-5157

To the State of Wisconsin:

The Adjutant General  
P.O. Box 8111  
Madison, Wisconsin 53708-8111

[Balance of page intentionally left blank.]

IN WITNESS WHEREOF, the respective duly authorized representatives of the parties hereto have executed this Agreement on the date set forth opposite their respective signatures.

Signed and Sealed in the Presence of:

MILWAUKEE COUNTY  
A Municipal Body Corporate

\_\_\_\_\_

By: \_\_\_\_\_  
Director of Public Works

APPROVED:

Date: \_\_\_\_\_

\_\_\_\_\_

Airport Director

By: \_\_\_\_\_  
County Clerk

\_\_\_\_\_

Corporation Counsel

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Dated: \_\_\_\_\_

STATE OF WISCONSIN

Coordinated with:

By: \_\_\_\_\_  
The Adjutant General

\_\_\_\_\_

U.S. Property & Fiscal Officer

Dated: \_\_\_\_\_

UNITED STATES OF AMERICA

By: \_\_\_\_\_  
For the Chief, National Guard Bureau

**COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION**

**DATE:** June 11, 2012

**TO:** Supervisor Michael Mayo, Chairman, Transportation, Public Works & Transit Committee

**FROM:** Frank Busalacchi, Director, Department of Transportation

**SUBJECT: INFORMATIONAL REPORT REGARDING THE BUDGET PROCESS FOR THE AIRPORT DIVISION/MKE REGIONAL BUSINESS PARK.**

**POLICY**

Informational Report

**REFERRAL**

Referral from May 9, 2012 meeting of the Transportation, Public Works & Transit committee. The Chairman and Supervisor Libscomb requested that the Airport provide a report that explains how the Airport budgets building leases and space agreements as a “separate cost center” utilizing Passenger Facility Charges (PFC) to offset any revenue shortfalls, at the MKE Regional Business Park.

**BACKGROUND**

The current Airport Airline Use and Lease Agreement (January 2011 - December 2015) is a residual cost lease agreement. In a residual cost lease, airline rates and charges are set in order that the airport system will break-even each year. This negotiated lease continues to make the Airport system’s operation, (General Mitchell International Airport and Timmerman Airport), as a self-supporting enterprise fund of Milwaukee County. All expenses of the Airport system will be covered through the revenue generated at the airports.

The Master lease agreement established separate cost centers (terminal, airfield, cargo and apron). One of the subsidiary cost centers is the MKE Regional Business Park (the former 440<sup>th</sup> Air Force Reserve Station (ARS)) which rolls up into the airfield cost center. The revenue in this cost center is exclusively lease rental income, determined by calculating the value of currently executed leases.

The use of Passenger Facility Charges (PFC) is not allowable. PFC revenue can only be used for approved capital projects and operating activity directly related to the administration of the PFC program.

Rents for these properties are established by independent appraisal. Based upon property type (i.e. Office space, airplane hanger, etc) and size, a rate per square foot is established. All lease rates are calculated at current fair market value and vary from building to building. Expenses in this cost center include one staff member, Airport Business Manager, an on-site maintenance - management firm, security, utilities and supplies. Per the Master lease any deficit projected in this cost center is rolled into the airfield cost center.

Prepared by: Patricia M Walslager, Deputy Airport Director, Finance & Administration

Approved by:

\_\_\_\_\_  
Frank Busalacchi, Director  
Department of Transportation

\_\_\_\_\_  
C. Barry Bateman  
Airport Director

Cc: Marina Dimitrijevic, Chairwoman, County Board of Supervisors

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**COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION**

**DATE:** June 19, 2012

**TO:** Marina Dimitrijevic, Chairwoman County Board of Supervisors  
Michael Mayo, Sr., Chairman, Transportation, Public Works and Transit Committee

**FROM:** Frank Busalacchi, Director, Department of Transportation

**SUBJECT: ESTOPPEL CERTIFICATE AND AGREEMENT REGARDING AIRPORT  
AGREEMENT NO. XS-991 BETWEEN MILWAUKEE COUNTY AND AERO  
MILWAUKEE, LLC**

**POLICY**

County Board approval is required for certain lease transactions.

**BACKGROUND**

Aero Milwaukee, LLC, a Delaware limited liability company (the "Aero Milwaukee"), qualified to do business in the State of Wisconsin, an affiliate of Cargo Acquisition Company LLC ("CAC"), operates an air cargo facility at the General Mitchell International Airport (the "Local Project"), pursuant to the terms of a Lease Agreement, between Milwaukee County (the "County") and Aero Milwaukee, dated June 15, 1989, as amended and supplemented from time to time (the "Ground Lease").

Aero Milwaukee has requested that the Wisconsin Public Finance Authority (the "Issuer") issue its Senior Airport Facilities Revenue and Refunding Bonds, Series 2012A (Tax-Exempt) (the "Bonds") and loan a portion of the proceeds thereof to Aero Milwaukee for the purpose of refinancing certain debt incurred in connection with the original acquisition of the Local Project.

The Public Finance Authority ("PFA") is a governmental entity established under § 66.0304 of the Wisconsin State Statutes that is authorized to issue tax-exempt, taxable, and tax credit conduit bonds for public and private entities throughout all 50 states. PFA is jointly sponsored by the National Association of Counties, National League of Cities, Wisconsin Counties Association and League of Wisconsin Municipalities (the "Sponsors").

The PFA was established to provide a means to efficiently and reliably finance projects on behalf of local governments in Wisconsin and throughout the country. PFA's mission is to provide local governments and eligible private entities access to low-cost, tax-exempt and other financing for projects that contribute to social and economic growth and improve the overall quality of life in communities throughout the country. Although Wisconsin State Statutes § 66.0304 requires Milwaukee County to approve the financing of this project [See § 66.0304(11)], the bonds are not public debt and Milwaukee County is not required to assume any debt obligations as a result of this transaction. In addition, AeroTerm has agreed to indemnify Milwaukee County for any liability arising from or related to the transaction.

The Issuer has established a bond program for other projects that is similar to the Local Project so that Aero Milwaukee can realize economies of scale in having the Issuer finance the Local Project along with other projects of affiliates of CAC.

The County published a notice of a public hearing not less than fourteen (14) days prior to the date on which such hearing was to be held, a copy of which notice is attached hereto as Attachment A (the "Notice").

A public hearing is scheduled for July 9, 2012 on behalf of the County at the time and place set forth in the Notice with respect to the issuance of the Bonds for purposes of refinancing the Local Project.

Aero Milwaukee has requested that the Board of Supervisors of Milwaukee County, Wisconsin (the "Board") approve the (i) issuance of the Bonds to finance the Local Project solely in order to satisfy the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) execution of a Lessor Estoppel Certificate and Agreement, the form of which is attached hereto as Attachment B (the "Estoppel Certificate"), in connection with the delivery of a Leasehold Mortgage by Aero Milwaukee to secure its obligations under the Bonds.

### **RECOMMENDATIONS**

Airport staff recommends that Milwaukee County approve the issuance of the Bonds to finance the Local Project, approves the proposed form of Estoppel Certificate, as set forth on Attachment B hereto.

### **FISCAL NOTE**

There is no impact on the tax levy of Milwaukee County with the approval of the Estoppel Certificate and Agreement.

Prepared by: Steven A. Wright, A.A.E., Airport Properties Manager

Approved by:

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Frank Busalacchi, Director  
Department of Transportation

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C. Barry Bateman  
Airport Director

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(Item ) From the Director, Department of Transportation, requesting authorization to approve the issuance of the Bonds to finance the Local Project and approve the proposed form of Estoppel Certificate by recommending adoption of the following:

**RESOLUTION**

WHEREAS, Aero Milwaukee, LLC, a Delaware limited liability company (the "Aero Milwaukee"), qualified to do business in the State of Wisconsin, an affiliate of Cargo Acquisition Company LLC ("CAC"), operates an air cargo facility at the General Mitchell International Airport (the "Local Project"), pursuant to the terms of a Lease Agreement, between Milwaukee County (the "County") and Aero Milwaukee, dated June 15, 1989, as amended and supplemented from time to time (the "Ground Lease"); and

WHEREAS, Aero Milwaukee has requested that the Wisconsin Public Finance Authority (the "Issuer") issue its Senior Airport Facilities Revenue and Refunding Bonds, Series 2012A (Tax-Exempt) (the "Bonds") and loan a portion of the proceeds thereof to Aero Milwaukee for the purpose of refinancing certain debt incurred in connection with the original acquisition of the Local Project; and

WHEREAS, the Public Finance Authority ("PFA") is a governmental entity established under § 66.0304 of the Wisconsin State Statutes that is authorized to issue tax-exempt, taxable, and tax credit conduit bonds for public and private entities throughout all 50 states; and

WHEREAS, PFA is jointly sponsored by the National Association of Counties, National League of Cities, Wisconsin Counties Association and League of Wisconsin Municipalities (the "Sponsors"); and

WHEREAS, the PFA was established to provide a means to efficiently and reliably finance projects on behalf of local governments in Wisconsin and throughout the country; and

WHEREAS, PFA's mission is to provide local governments and eligible private entities access to low-cost, tax-exempt and other financing for projects that contribute to social and economic growth and improve the overall quality of life in communities throughout the country; and

WHEREAS, although Wisconsin State Statutes § 66.0304 requires the County to approve the financing of this project [See § 66.0304(11)], the bonds are not public debt and Milwaukee County is not required to assume any debt obligations as a result of this transaction; and

WHEREAS, in addition, Aeroterm has agreed to indemnify the County for any liability arising from or related to the transaction; and

49 WHEREAS, the Issuer has established a bond program for other projects that is  
50 similar to the Local Project so that Aero Milwaukee can realize economies of scale in  
51 having the Issuer finance the Local Project along with other projects of affiliates of CAC;  
52 and

53  
54 WHEREAS, the County published a notice of a public hearing not less than  
55 fourteen (14) days prior to the date on which such hearing was to be held, a copy of  
56 which notice is attached hereto as Attachment A (the "Notice"); and

57  
58 WHEREAS, a public hearing is scheduled for July 9, 2012 on behalf of the  
59 County at the time and place set forth in the Notice with respect to the issuance of the  
60 Bonds for purposes of refinancing the Local Project; and

61  
62 WHEREAS, Aero Milwaukee has requested that the Board of Supervisors of  
63 Milwaukee County, Wisconsin (the "Board") approve the (i) issuance of the Bonds to  
64 finance the Local Project solely in order to satisfy the requirements of Section 147(f) of  
65 the Internal Revenue Code of 1986, as amended (the "Code") and (ii) execution of a  
66 Lessor Estoppel Certificate and Agreement, the form of which is attached hereto as  
67 Attachment B (the "Estoppel Certificate"), in connection with the delivery of a Leasehold  
68 Mortgage by Aero Milwaukee to secure its obligations under the Bonds; and

69  
70 WHEREAS, Airport staff recommends that the County approve the issuance of  
71 the Bonds to finance the Local Project and approve the proposed form of Estoppel  
72 Certificate as set forth on Attachment B; and

73  
74 WHEREAS, the Transportation, Public Works and Transit Committee, at its  
75 meeting on July 11, 2012 , recommended approval (vote\_\_\_-\_\_\_) to approve the  
76 issuance of the Bonds to finance the Local Project and approve the proposed form of  
77 Estoppel Certificate as set forth on Attachment B, now therefore,

78  
79 BE IT RESOLVED, that the Director, Department of Transportation and the  
80 County Clerk are hereby authorized to approve the issuance of the Bonds to finance the  
81 Local Project and approve the proposed form of Estoppel Certificate as set forth on  
82 Attachment B.

83  
84 H:\Private\Clerk Typist\Aa01\TPW&T 12\07- Jul 2012\RESOLUTION - Aeroterm Estoppel Final.doc

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** June 19, 2012

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** ESTOPPEL CERTIFICATE AND AGREEMENT REGARDING AIRPORT AGREEMENT NO. XS-991 BETWEEN MILWAUKEE COUNTY AND AERO MILWAUKEE, LLC

**FISCAL EFFECT:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact                                     | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required  | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues     |
| <input checked="" type="checkbox"/> Absorbed Within Agency's Budget                                    | <input type="checkbox"/> Decrease Capital Revenues     |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget   |  |
| <input type="checkbox"/> Decrease Operating Expenditures   | <input type="checkbox"/> Use of Contingent Funds       |
| <input type="checkbox"/> Increase Operating Revenues   |  |
| <input type="checkbox"/> Decrease Operating Revenues   |  |

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure		
	Revenue	0	0
	Net Cost	0	0
<b>Capital Improvement Budget</b>	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. <sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

**There is no impact on the tax levy of Milwaukee County with the approval of the Estoppel Certificate and Agreement.**

Department/Prepared by: Steven A. Wright, A.A.E., Airport Properties Manager

Authorized Signature \_\_\_\_\_

Did DAS-Fiscal Staff Review?  Yes  No

Reviewed by:

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<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.



**LESSOR ESTOPPEL CERTIFICATE AND AGREEMENT**

This Lessor Estoppel Certificate and Agreement (this “**Agreement**”) is executed as of \_\_\_\_\_, 2012, by Milwaukee County, a municipal corporation organized and existing as one of the counties in Wisconsin (“**Lessor**”) for the benefit of Wells Fargo Bank, National Association, a national banking association (and any successor or assignee thereof, the “**Master Trustee**”), in its capacity as master trustee under a Master Trust Indenture, dated as of \_\_\_\_\_, 2012, as more fully described below.

**RECITALS**

A. Lessor is the owner of the property legally described on Exhibit “A” attached hereto and made a part hereof (the “**Premises**”).

B. Lessor and Airport Systems Wisconsin (“**Airport Systems**”) executed the Lease Agreement (the “**Lease Agreement**”) dated June 15, 1989, providing for the leasing, development and occupancy of the Premises and further identified as Airport Agreement No. XS-991. A memorandum of the Lease Agreement was recorded July 26, 1989, on Reel 2352, Image 1739, as Document No. 6297061.

C. The Lease Agreement was modified and amended by the Amendment No. 1 to Airport Agreement No. XS-991 dated July 21, 1989, executed by Lessor and Airport Systems.

D. The Lease Agreement was modified and amended by the Amendment No. 2 to Airport Agreement No. XS-991 dated May 1, 1990, executed by Lessor and Airport Systems.

E. Airport Systems has assigned and transferred its rights and obligations under the Lease Agreement to ADS/Aero Milwaukee, LLC, a Delaware limited liability company now known as Aero Milwaukee, LLC (“**Borrower**”), by the assignment dated May 1, 1998, and recorded May 11, 1998, on Reel 4305, Image 1718, as Document No. 7529989.

F. The Lease Agreement was modified and amended by the Amendment No. 3 to Airport Agreement No. XS-991 dated November 17, 1998, executed by Lessor and Borrower.

G. The Lease Agreement, as modified and amended, and as may be renewed, extended, modified or amended, shall be referred to herein as the “**Ground Lease**”.

H. In connection with the issuance by Public Finance Authority (“**Public Finance Authority**”) of its Senior Airport Facilities Revenue and Refunding Bonds (Transportation Infrastructure Properties Obligated Group), Series 2012A (Tax-Exempt) and \$ \_\_\_\_\_ Series 2012B (Taxable) in an aggregate principal amount not to exceed \$ \_\_\_\_\_ (collectively, the “**Bonds**”), the Borrower will enter into a Master Trust Indenture (as the same may be amended and supplemented from time to time, the “**Master Indenture**”) with the Master Trustee, as master trustee, and a group of affiliated entities (together with the Borrower, the “**Obligated Group**”) in order to refinance certain projects at various airports, including the Premises, the proceeds of the Bonds (the “**Bond Financing**”).

I. Borrower has requested that Lessor execute and deliver this Agreement to, among other things, acknowledge and consent to Borrower's grant of the leasehold mortgage executed by Borrower for the benefit of the Master Trustee to secure the joint and several obligations of the Obligated Group under the Master Indenture.

NOW THEREFORE, Lessor does hereby certify to and agree with the Master Trustee, its successors and assigns, as follows:

1. The Ground Lease attached hereto as Exhibit "B" is a true, correct and complete copy thereof and constitutes the entire agreement between Lessor and Borrower with respect to the Premises and is presently in existence and in full force and effect. The Ground Lease shall not be canceled, terminated, modified or amended without the prior written consent of Master Trustee, which will not be unreasonably withheld. Any modification or amendment of the Ground Lease made without the prior written consent of Master Trustee shall be of no force or effect as to the Master Trustee. The Ground Lease term has commenced and shall expire on \_\_\_\_\_. There are, with respect to the Ground Lease, no options to renew or extend, except as set forth therein.

2. All rents, operating expenses and other fees and charges required to be paid by Borrower to Lessor under the terms of the Ground Lease have been duly and timely paid as of the date hereof. The current monthly Land Rent due from Borrower to Lessor under the Ground Lease is \$ \_\_\_\_\_. Lessor has not collected any rents, operating expenses or other fees and charges from Borrower in advance of the respective dates such amounts are due.

3. No event has occurred or is continuing which constitutes a default or event of default by Borrower under the Ground Lease. To Lessor's knowledge, there does not exist any event which with the passage of time or the giving of notice or both would constitute a default or event of default by Borrower under the Ground Lease. Lessor knows of no defenses, offsets, credits, claims or counterclaims to Borrower's obligations under the Lease. There are no security deposits or prepaid rent or liens under the Ground Lease.

4. Lessor has not assigned, mortgaged or otherwise encumbered its interest under the Ground Lease. The Ground Lease is not subject to any mortgage or other encumbrance covering Lessor's interest in the Ground Lease or the Premises. If the Ground Lease is ever subjected to any mortgage or other encumbrance, Lessor will obtain an agreement from the holder of any such mortgage or other encumbrance that so long as Borrower is not in default (beyond any period given Borrower and Master Trustee to cure such default in the Ground Lease) in the performance of any of its terms, covenants, or conditions of the Ground Lease or, if Borrower is in default but Borrower or Master Trustee is diligently proceeding to cure such default as provided in the Ground Lease: (a) such holder will not bring, join or cooperate in any action or proceeding to terminate Borrower's interest, estate, or rights under the Ground Lease, (b) Borrower's possession of the Premises and Borrower's rights and privileges under the Ground Lease shall not be diminished or interfered with by such holder, and (c) such holder will continue to recognize the estate of Borrower created under the Ground Lease and Borrower's occupancy of the Premises under the terms of the Ground Lease shall not be disturbed by such holder during the term of the Ground Lease or any extensions or renewals which Borrower may exercise under the provisions of the Ground Lease.

5. To Lessor's knowledge, (i) there are no plans for any condemnation of the Premises by a governmental entity, (ii) there are no plans to disrupt the current access from the Premises to any adjacent highways or roads, and (iii) there has been no casualty affecting the Premises. Lessor has not received any formal notice of, and has no other knowledge, information or belief of any other action pending or threatened by any governmental entity or adjacent landowners which would adversely affect the Premises or any part thereof.

6. Lessor will, from and after the date hereof, provide copies of notices given by Lessor to Borrower under the Ground Lease in the form and manner and under the circumstances provided in the Ground Lease to the following addresses:

Borrower's Notice Address: Aero Milwaukee, LLC  
c/o AeroTerm US, Inc.  
201 West Street, Suite 200  
Annapolis, Maryland 21401  
Attn: Mitch Gordon  
Facsimile: (443) 280-1100

Master Trustee's Notice Address: Wells Fargo Bank, National Association, as Master Trustee  
230 West Monroe Street, Suite 2900  
Chicago, IL 60606  
Attn: Corporate Trust Department  
Facsimile: ( ) -

Lessor, Borrower and Master Trustee shall each have the right to change their respective addresses for purposes of notice hereunder by providing notice to the other parties in the form and manner provided in the Ground Lease.

7. Lessor hereby consents to the assignment of Borrower's right, title and interest in, to and under the Ground Lease to Master Trustee by way of mortgage, assignment, pledge or other security arrangement (collectively, the "Mortgage"), and Lessor hereby recognizes the Master Trustee as a "mortgagee" under the Ground Lease, and Master Trustee, as leasehold mortgagee under the Mortgage, shall be afforded all rights and benefits afforded to a "mortgagee" under the Ground Lease. The execution and delivery of the Mortgage shall not require Master Trustee, as mortgagee, to assume the obligation or performance of any of the terms, covenants or conditions on the part of Borrower to be observed or performed under the Ground Lease. Master Trustee may enforce the Mortgage and may acquire title to the mortgaged leasehold estate of Borrower in any lawful way, and pending foreclosure of the Mortgage (or sale or assignment in lieu of foreclosure) may take possession of and sublease the Premises, provided that Master Trustee's acquisition of the leasehold estate shall be subject to all the terms, conditions and covenants under the Ground Lease. Upon foreclosure thereof (or sale or assignment in lieu of foreclosure) Master Trustee may, with the consent of Lessor as required by the Ground Lease, sell and assign its interest in the Ground Lease provided that the assignee shall expressly assume and agree to observe and perform all the covenants of Borrower as tenant under the Ground Lease. Furthermore, the Master Trustee's interest in the Deed of Trust shall be freely assignable to any commercial lending institution, and such assignment or assignments shall not be deemed to be in violation of any of the terms hereof or of the Ground Lease.

8. If Borrower fails to observe or perform any of its obligations under the Ground Lease or is otherwise in default under the Ground Lease, Master Trustee may, but shall not be obligated to, (a) cure any default by Borrower under the Ground Lease and Master Trustee shall be afforded (a) 60 days to cure any such default or (b) in the event that any such default cannot, with reasonable diligence, be cured within 60 days, such longer period as may be required to complete such cure including, without limitation, such time as may be required for Master Trustee to gain possession of Borrower's interest under the Ground Lease, provided that Master Trustee notifies Lessor of its intention to cure such default and Master Trustee promptly commences and diligently pursues such cure to completion to cure any default, including a payment default, by Borrower under the Ground Lease; and (ii) exercise any extension options granted under the Ground Lease to Borrower in accordance with the terms thereof. Lessor shall accept performance by or on behalf of Master Trustee as though, and with the same effect as if, it had been done or performed by Borrower. After the delivery of a notice of default by Lessor, Master Trustee will have a period of time within which it may cure the default specified in such notice, or cause it to be cured, which is the same period for cure, if any, as is given to Borrower under the Ground Lease in respect of the specified default.

9. Lessor hereby covenants and agrees that, in the event that the Ground Lease is terminated for any reason including, without limitation, as a result of a rejection of the Ground Lease in a bankruptcy proceeding, upon Master Lessee's request, Lessor shall enter into a new ground lease with Master Trustee and such new ground lease shall be upon the same terms and conditions of the unexpired term of the Ground Lease immediately prior to such termination.

10. Lessor hereby covenants and agrees that the Master Trustee shall be entitled to participate in any settlement regarding insurance or condemnation proceeds or awards, to collect and hold any such proceeds or awards and to determine and direct whether any such proceeds or awards are made available for the restoration of the Premises or are applied to the repayment of the Bonds.

11. Lessor covenants and agrees that Lessor shall not, in the absence of an uncured default of any subtenant under its respective sublease at the fee estate of Lessor in the Premises, disturb the possession, interest or quiet enjoyment of any subtenant at the fee estate of Lessor in the Premises.

12. Lessor has not exercised any rights to terminate the Ground Lease pursuant to the terms of the Ground Lease.

13. Notwithstanding anything contained herein to the contrary, Master Trustee shall not become liable under the provisions of the Ground Lease or under any new lease executed pursuant to Section 9 above or pursuant to the Ground Lease unless and until such time as it becomes, and then only for newly accruing obligations for so long as it remains, the owner of the leasehold estate created by the Ground Lease or any such new lease, and Master Trustee shall not be obligated to the Lessor for any claims, costs, or liabilities pertaining to the hazardous or toxic substances or environmental contamination, except only to the extent the same may be directly caused by Master Trustee.

14. Lessor will, at any time and from time to time within ten (10) days of the written request of Master Trustee, execute, acknowledge, and deliver to Master Trustee or any purchaser, mortgagee or tenant, a certificate certifying:

(a) That the Ground Lease is unmodified and in full force and effect (or, if there have been modifications, that the same are in full force and effect as modified and stating such modifications);

(b) The dates, if any, to which the rents, operating expenses and other charges have been paid; and

(c) Whether there are any existing defaults by Borrower to the knowledge of Lessor specifying the nature of such defaults, if any.

Any such certificate may be relied upon by the party to whom the certificate is directed.

15. This Agreement is entered into in connection with the issuance of the Bonds pursuant to Section 66.0304 Wis Stats. and the parties acknowledge that such statute is applicable to this Agreement.

16. The Bonds shall not be public debt of any kind and shall never, under any circumstances, be considered an obligation of Milwaukee County.

17. The Borrower acknowledges that although Milwaukee County has approved the financing pursuant to Section 66.0304(11) Wis Stats., Milwaukee County does so with the understanding that the authority to issue or authorize the Bonds is solely that of the Public Finance Authority and the Milwaukee County shall not, under any circumstances, be responsible or participate in liability for or the approval of any bonds related to the Borrower.

18. The Borrower hereby indemnifies and holds Milwaukee County harmless for a breach of any Ground Lease paragraph and Milwaukee County's obligations under this Agreement.

19. Lessor acknowledges that Master Trustee will rely upon this Agreement in accepting a mortgage of the leasehold estate under the Ground Lease from Borrower. All capitalized terms used in this Agreement and not defined herein shall have the meanings given to such terms in the Ground Lease, as the context may require.

**APPROVED:**

**MILWAUKEE COUNTY,**  
a municipal corporation

\_\_\_\_\_  
Airport Director

By: \_\_\_\_\_  
Director of Public Works

**APPROVED AS TO FORM**

\_\_\_\_\_

By: \_\_\_\_\_  
County Clerk

**CONSENT**

Borrower hereby joins in this Lessor Estoppel Certificate and Agreement to evidence its concurrence and consent to this Agreement.

**AERO MILWAUKEE, LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_  
Name:  
Title:

**AGREED AND ACCEPTED:**

**WELLS FARGO BANK, NATIONAL  
ASSOCIATION**, a national banking  
association, as Master Trustee

By: \_\_\_\_\_  
Name:  
Title:

## EXHIBIT A

### DESCRIPTION OF PREMISES

All that part of the Northeast  $\frac{1}{4}$  of Section 32, and the Southeast  $\frac{1}{4}$  of Section 29, in Township 6 North, Range 22 East, in the City of Milwaukee, County of Milwaukee, State of Wisconsin, bounded and described as follows:

Commencing at the North  $\frac{1}{4}$  corner of Section 32, Township 6 North, Range 22 East; thence South  $00^{\circ}56'07''$  East, on and along the West line of the Northeast  $\frac{1}{4}$  of said Section, 593.78 feet; thence North  $70^{\circ}12'33''$  East, 1,459.82 feet to the point of beginning of the land about to be described; thence South  $19^{\circ}47'27''$  East, 395.00 feet; thence North  $70^{\circ}12'33''$  East, 900.00 feet; thence South  $19^{\circ}47'27''$  East, 214.00 feet; thence North  $70^{\circ}12'33''$  East, 160.00 feet; thence North  $19^{\circ}47'27''$  West, 609.00 feet; thence South  $70^{\circ}12'33''$  West, 1,060.00 feet to the point of beginning.

**Part of tax key no. 640-9999-117-6**

## EXHIBIT B

### GROUND LEASE

The Lease Agreement (the "Lease Agreement") dated June 15, 1989, executed by Milwaukee County, a municipal corporation organized and existing as one of the counties in Wisconsin ("Lessor") and Airport Systems Wisconsin ("Airport Systems") and further identified as Airport Agreement No. XS-991.

A memorandum of the Lease Agreement was recorded July 26, 1989, on Reel 2352, Image 1739, as Document No. 6297061.

The Lease Agreement was modified and amended by the Amendment No. 1 to Airport Agreement No. XS-001 dated July 21, 1989, executed by Lessor and Airport Systems, Wisconsin, as successor in interest to Airport Systems.

The Lease Agreement was modified and amended by the Amendment No. 2 to Airport Agreement No. XS-991 dated May 1, 1990, executed by Lessor and Airport Systems.

Airport Systems has assigned and transferred its rights and obligations under the Lease Agreement to Aero Milwaukee, LLC, a Delaware limited liability company formerly known as ADS/Aero Milwaukee, LLC, by the assignment dated May 1, 1998, and recorded May 11, 1998 on Reel 4305, Image 1718, as Document No. 7529989.

The Lease Agreement was modified and amended by the Amendment No. 3 to Airport Agreement No. XS-991 dated November 17, 1998, executed by Lessor and Mortgagor.

**COUNTY OF MILWAUKEE**  
Inter-Office Communication

**DATE:** June 11, 2012

**TO:** Supervisor Marina Dimitrijevic, Chairwoman, County Board of Supervisors  
Supervisor Michael Mayo, Sr., Chairman, Transportation, Public Works & Transit Committee

**FROM:** Frank Busalacchi, Director, Department of Transportation

**SUBJECT: SUBMITTAL OF AIRPORT PASSENGER FACILITY CHARGE AMENDMENT  
TO APPLICATION NO. 6 & 7**

**POLICY**

County Board approval is required to submit Passenger Facility Charge (PFC) applications to the Federal Aviation Administration (FAA).

**BACKGROUND**

In 1994, Unison Consulting Group, Inc. (“Unison”) was retained to develop a long-range Airport Capital Improvement Plan (“CIP”) for the purpose of submitting PFC applications to the FAA on behalf of Milwaukee County (“County”). Based on the original twenty (20) year CIP and the County’s successful PFC Application #1, General Mitchell International Airport (“GMIA”) began assessing a \$3.00 PFC in 1995 for each passenger enplaning or making a first transfer at GMIA. In 2012, PFC revenues were anticipated to total between \$12 and \$12.9 million at the \$3.00 per enplaned passenger rate.

PFC’s are used for capital projects, debt service coverage of PFC approved capital projects, and direct cost of PFC administration only. PFC’s are not used for general airport operating and maintenance expenses.

After GMIA’s first PFC Application was approved, the Airport’s CIP and PFC programs have been amended on numerous occasions, adding new projects and/or adjusting previous projects. As recently as September 8, 2011, the FAA approved the addition of 11 new PFC fundable projects (PFC # 16) to the GMIA PFC program and increased PFC funding authorization by \$28,971,429.

In 1990 the original PFC law was approved by Congress authorizing a \$3.00 per passenger charge. In 2000 Congress increased the collection authority to \$4.50. This PFC Amendment to applications #6 & #7 increases the PFC at General Mitchell International Airport from \$3.00 to \$4.50. Of the 353 Commercial service airports that have a PFC, 328 are at \$4.50. All other Wisconsin airports and Chicago’s O’Hare & Midway Airports are at \$4.50.

**Amendment to PFC Application (PFC #6 & #7)**

In order to provide a sufficient amount of PFC collections to fund each of the previously

approved projects and planned new PFC projects, it will be necessary to increase the PFC collection rate to \$4.50. MKE is currently collecting PFCs at the \$3.00 rate under the collection authority approved in PFC #6. To begin collecting at a \$4.50 collection rate, it is necessary to obtain FAA approval to increase the collection rate for an application to \$4.50. In order to establish a \$4.50 PFC collection rate for an application, it is required to obtain FAA approval to increase the collection rate of individual projects representing at least 33% of approved PFC collections for the application. As a medium hub airport, it is necessary for the Airport to demonstrate that each project approved for a \$4.50 collection rate will make “a significant contribution to improving air safety and security, increasing competition among air carriers, reducing current or anticipated congestion, or reducing the impact of aviation noise on people living near the airport” (Section 158.17 (b)).

Milwaukee County currently has eight PFC applications that have not been fully collected.

Because of the extensive amount of documentation and review time required by the FAA to demonstrate a significant contribution for a project, it was decided to “upgrade” Applications #6 and #7 to the \$4.50 collection rate at this time in order to begin \$4.50 PFC collections as soon as possible by amending the projects shown in Table 1. These amendments will not increase the approved amounts of PFC collections for Applications #6 and #7, which remains at \$124,348,385 and \$35,251,806, respectively; they only increase the collection rate. These two applications each contain a sufficient number of significant contribution projects that will result in meeting the 33% test. Table 1 indicates the projects that are to be eligible for a \$4.50 PFC collection rate and demonstrates that at least 33% of the PFC collections in each application or blended application are eligible for a \$4.50 PFC rate. The proposed effective date for the \$4.50 PFC collection rate is November 1, 2012 and the estimated charge expiration date PFC Application #7 is now projected at November 1, 2015 based upon a \$4.50 collection rate for PFC #6 and PFC #7. Amendments are planned for PFC Applications #10, #12, #13, #14, #15 and #16 when additional information has been prepared and the FAA review process has been completed. These future amendments will continue the PFC rate of \$4.50.

An Airline consultation on this amendment application was held on June 19, 2012. The Airlines serving General Mitchell International Airport concur with this application and the \$4.50 PFC Amendment was anticipated in the Capital Improvement Plan financing plan in the new Airport / Airline Lease Agreement, approved by the Airlines and the Milwaukee County Board of Supervisors on September 30, 2010.

**TABLE 1**  
**GENERAL MITCHELL INTERNATIONAL AIRPORT**  
**PROPOSED AMENDED PROJECTS AND SIGNIFICANT CONTRIBUTION ANALYSIS**

PFC No.	Project Title	Approved at \$3.00	Proposed at \$4.50 (1)
6.01	Pavement Replacement on Taxiway A and A3		302,742
6.02	Reconstruct Perimeter Road	156,693	
6.03	Rehabilitate Runway 7R/25L	145,644	
6.04	C Concourse Stem and Gate Expansion (Design) (2)		9,216,693
6.05	FIDS and Paging Systems	3,076,382	
6.06	Master Plan Update	1,600,000	
6.07	Terminal Apron Joint Repair	574,502	
6.08	Sealcoat Runways 7L/25R and 13/31	93,569	
6.09	Electrical Master Plan	24,882	
6.10	Rehabilitate Taxiway B	594,767	
6.11	Abrasive Storage Building (3)	0	
6.12	Upgrade Security System		375,703
6.13	Runway 1/19R Centerline and Touchdown Lights	94,782	
6.14	Rehabilitate Apron & Taxilanes @ LJT	250,000	
6.15	C Concourse Taxiway Expansion		2,738,764
6.16	Rehabilitate Baggage Claim Area - (Design) (3)	0	
6.17	Rehabilitate Taxiway M	105,750	
6.18	Construct Maintenance Storage Building (3)	0	
6.19	Hush House Noise Suppressor - (Design)	50,000	
6.20	C Concourse Stem and Gate Expansion - (Build) (2)		104,947,492
	<b>Application #6 Subtotal</b>	<b>\$6,766,971</b>	<b>\$117,581,394</b>
	<b>Application #6 Percentages</b>	<b>5.4%</b>	<b>94.6%</b>
7.01	C Concourse Hydrant Fueling System	3,478,000	
7.02	Outer Taxiway Extension		931,963
7.03	Separate Taxiway Circuits & Add Duct Banks	886,000	
7.04	7R/25L Edge Lights	16,513	
7.05	Road to South Maintenance	155,070	
7.06	LJT R/W & T/W Rehabilitation	163,013	
7.07	Ground Run-Up Enclosure - Construction	4,382,162	
7.08	Part 150 Update	230,000	
7.09	Corporate Hangar Road Reconstruction	62,000	
7.10	Relight Terminal Roadway	254,021	
7.11	Electrical System Upgrade - Airfield	65,764	
7.12	Elevator Controls Upgrade	685,591	
7.13	PFC Administrative Costs	721,780	
7.14	D Concourse Expansion (2)		21,880,114
7.15	Taxiway B-C		249,815
7.16	International Arrival Building Ramp Expansion	90,000	
7.17	North Ticketing Expansion (3)	0	
7.18	Airport Security Improvements		1,000,000
	<b>Application #7 Subtotal</b>	<b>\$11,189,914</b>	<b>\$24,061,892</b>
	<b>Application #7 Percentages</b>	<b>31.7%</b>	<b>68.3%</b>

Notes:

- (1) Project was approved at \$3.00 and requires consultation due to increase to a \$4.50 PFC rate.
- (2) Project is bond funded and the PFC amounts include allocable financing and interest expenses.
- (3) Project was amended to \$0.

## DESCRIPTION OF PFC PROJECTS TO BE AMENDED

### Amended Projects

#### **6.01 Pavement Replacement Taxiways A and A3 (\$4.50)**

Rebuild Taxiway A3 and Taxiway A between Taxiway R and Taxiway A4. The existing 16" concrete pavement and base (constructed in 1971 and 1974) is replaced with new 18" PCC (Portland Cement Concrete) on 6" econcrete base. The section of Taxiway A that was reconstructed is approximately 3,400 feet long by 75 feet wide. Taxiway A3 is 290 feet long and varies in width from 110 feet to 350 feet.

#### **6.04 C Concourse Stem and Gate Expansion – Design (\$4.50)**

This project provided for the design of the "C" Concourse expansion, including new added gates, operation areas, additional public restrooms, and retail space. The selected alternative from a prior study resulted in in-fill of open space on the existing structure and a hammerhead design addition on the northeast end of the pre-existing concourse. This design project did result in the issuance of plans and specifications and the construction of the project as designed.

#### **6.12 Upgrade Security System (\$4.50)**

Design a new personal computer (PC)-based Airport security system that operates in a "Windows" environment to replace current mainframe computer and software and greatly enhance security by improving the airports entry and exit monitoring process. The new system approved by the TSA consists of a PC, software and monitors that provide access throughout the Airport including the Terminal building doors and exterior gates. The funding also provided for the hiring of a consultant to design the system.

#### **6.15 C Concourse Taxiway Expansion (\$4.50)**

Taxiway B between Taxiways K and D is relocated (shifted) to the northeast 168' to make room for the C Concourse Gate Expansion. Taxiway B is located on the outer-most edge of the terminal apron. It was necessary to relocate the taxiway to allow the terminal apron to be expanded for the hammerhead addition on to the end of the C Concourse.

#### **6.20 C Concourse Stem and Gate Expansion – Build (\$4.50)**

This project provided for the construction of the "C" Concourse expansion, including new added gates, operation areas, additional public restrooms, and retail space. The construction included in-fill of open space on the existing structure and a hammerhead-design addition on the northeast end of the pre-existing concourse.

#### **7.02 Outer Taxiway Extension (\$4.50)**

Extend the outer taxiway (Taxiways V and U) around the existing Hydrant Fuel Facility paralleling Runways 7L/25R and 13/31 and connecting into Taxiway G and Taxiway E. The project added approximately 2,800 LF of 75' wide taxiway and was constructed of 18" of concrete on a 6" econcrete base with bituminous paved shoulders and taxiway edge lighting.

#### **7.14 D Concourse Expansion (\$4.50)**

This project consists of expanding upper and lower level areas on the stem of the "D" Concourse for use as additional airline gate holdrooms including the required relocation of operational areas. During the design phase, it was determined that the building codes regarding fire protection changed, thus significantly more fire protection was incorporated in this project. With this addition of passenger traffic, expansion of TSA checkpoint area was also included.

**RECOMMENDATIONS**

Airport staff recommends that the Milwaukee County Board of Supervisors approve the submittal of an Amendment to PFC applications 6 & 7 authorizing the change in the PFC collection rate from \$3.00 to \$4.50. The 9 projects to be amended in the PFC program do not increase authorized PFC funding. All of these projects were approved during the normal county budget process and are substantially complete. This does not reflect a change of scope or cost in any of these projects.

**FISCAL NOTE**

The 9 projects to be amended in the PFC program do not increase authorized PFC project funding, however the increase in the PFC collection rate to \$4.50 will provide sufficient funding capacity for future projects. All of these projects were approved during the normal county budget process and are substantially complete. There is no tax levy impact.

Prepared by: Patricia M Walslager, Deputy Airport Director, Finance & Administration

Approved by:

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Frank Busalacchi, Director  
Department of Transportation

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C. Barry Bateman  
Airport Director

(Item ) From the Director, Department of Transportation, requesting authorization to submit an amendment for Passenger Facility Charge (PFC) Applications 6 & 7, changing the PFC collection rate from \$3.00 to \$4.50, by recommending adoption of the following:

## RESOLUTION

WHEREAS, in 1994, Unison Consulting Group, Inc. ("Unison") was retained to develop a long-range Airport Capital Improvement Plan ("CIP") for the purpose of submitting Passenger Facility Charge (PFC) applications to the FAA on behalf of Milwaukee County ("County"); and

WHEREAS, PFC's are used for capital projects, debt service coverage of PFC approved capital projects and direct cost of PFC administration only; and

WHEREAS, based on the original twenty (20) year CIP and the County's successful PFC Application #1, General Mitchell International Airport ("GMIA") began assessing a \$3.00 PFC in 1995 for each passenger enplaning or making a first transfer at GMIA; and

WHEREAS, in 2000, Congress changed the original 1990 PFC law and increased the collection authority from \$3.00 to \$4.50 per passenger enplanement; and

WHEREAS, of the 353 Commercial service airports that have a PFC, 328 are at \$4.50, and all other Wisconsin airports and Chicago's O'Hare & Midway Airports are already at \$4.50; and

WHEREAS, the General Mitchell International Airport's CIP and PFC programs have been amended on numerous occasions since the first PFC Application was approved, adding new projects and/or adjusting previous projects; and

WHEREAS, in order to provide a sufficient amount of PFC collections to fund each of the previously approved projects and planned new PFC projects, it will be necessary to increase the PFC collection rate to \$4.50; and

WHEREAS, the 9 projects to be amended in the PFC program do not increase authorized PFC project funding, however, the increase in the PFC

45 collection rate to \$4.50 will provide sufficient funding capacity for future  
46 projects; and

47  
48 WHEREAS, an Airline consultation on this amendment application was  
49 held on June 19, 2012; and

50  
51 WHEREAS, the \$4.50 PFC Amendment was anticipated in the Capital  
52 Improvement Plan financing plan in the new Airport / Airline Lease Agreement,  
53 approved by the Airlines and the Milwaukee County Board of Supervisors on  
54 September 30, 2010; and

55  
56 WHEREAS, Airport staff recommends the submittal of an Amendment to  
57 PFC applications 6 & 7 authorizing the change in the PFC collection rate from  
58 \$3.00 to \$4.50; now, therefore,

59  
60 BE IT RESOLVED, the Airport Director is hereby authorized to submit an  
61 Amendment to Passenger Facility Charge (PFC) Applications 6 & 7, changing  
62 the PFC collection rate from \$3.00 to \$4.50.

63  
64  
65 H:\Private\Clerk Typist\Aa01\TPW&T 12\07- Jul 2012\RESOLUTION - PFC #6 and 7 amendment.doc

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** June 11, 2012

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT: SUBMITTAL OF AIRPORT PASSENGER FACILITY CHARGE  
 AMMENDMENT TO APPLICATION NO. 6 & 7**

**FISCAL EFFECT:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact                                     | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required  | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues     |
| <input type="checkbox"/> Absorbed Within Agency's Budget   | <input type="checkbox"/> Decrease Capital Revenues     |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget   |  |
| <input type="checkbox"/> Decrease Operating Expenditures   | <input type="checkbox"/> Use of Contingent Funds       |
| <input type="checkbox"/> Increase Operating Revenues   |  |
| <input type="checkbox"/> Decrease Operating Revenues   |  |

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
<b>Capital Improvement Budget</b>	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. <sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

**The 9 projects to be amended in the PFC program do not increase authorized PFC project funding, however the increase in the PFC collection rate to \$4.50 will provide sufficient funding capacity for future projects. All of these projects were approved during the normal county budget process and are substantially complete. There is no tax levy impact.**

Department/Prepared by: Patricia M Walslager, Deputy Airport Director, Finance & Administration

Authorized Signature \_\_\_\_\_

Did DAS-Fiscal Staff Review?  Yes  No  
Reviewed by:

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<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.