

1 By Supervisor Jursik
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3

4 **A RESOLUTION**
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6 Providing policy guidance on the future operation and management of the Milwaukee
7 County Transit/Paratransit System (MCTS)
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10 WHEREAS, Milwaukee County provides public transit services through a
11 management contract with Milwaukee Transport Services, Inc. (MTS), a company that
12 exists primarily to serve the County's transit needs; and
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14 WHEREAS, the Milwaukee County Department of Transportation (McDOT)
15 issued a request for proposals (RFP) in April 2013 for transit management services to
16 operate the Milwaukee County Transit/Paratransit System (MCTS); and
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18 WHEREAS, in July 2013, following a review evaluation and scoring process,
19 McDOT announced its intent to award the contract to MV Transportation Inc.; and
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21 WHEREAS, appeals protesting the RFP award pursuant to Milwaukee County
22 Ordinance Chapter 110 were filed by two other unsuccessful proposers and, after being
23 denied by McDOT, were appealed to a County Board standing committee; and
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25 WHEREAS, the co-chairs of the Committee on Finance, Personnel and Audit, to
26 which the appeals were referred, appointed an Administrative Review Committee of five
27 members to hear the appeals; and
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29 WHEREAS, the Administrative Determination Review Committee held hearings
30 on the appeals and ruled on February 20, 2014, that the RFP procedures used by
31 McDOT were flawed such that the Department's intent to award the contract to MV
32 Transportation, Inc. was arbitrary and unreasonable; no award could be made to any
33 other bidder using the April 2013 RFP; and
34

35 WHEREAS, the 2014 Adopted Budget for Org. 5600-DOT-Transit, approved prior
36 to the Administrative Determination Review Committee decision, included the following
37 policy language:
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39 *The Milwaukee County Comptroller shall form a Workgroup to identify and report on the*
40 *advantages and challenges of in-sourcing versus outsourcing transit management and*
41 *operations. The report of the Workgroup shall be submitted for review during the March*
42 *2014 committee cycle to the Committees on Transportation, Public Works and Transit*
43 *and Finance, Personnel and Audit. The report shall examine employee ramifications,*
44 *unfunded liabilities, taxpayer impacts and other issues identified by the Workgroup. The*

45 *Workgroup shall be chaired by the Comptroller or designee and shall consist of*
46 *members that the Comptroller chooses, but shall include at a minimum the following*
47 *individuals or designees:*

- 48
49 1. *SEWRPC representative*
50 2. *MC-DOT Director*
51 3. *DAS-Office for Persons with Disabilities Director*
52 4. *Transit Services Advisory Committee representative*
53 5. *County Board Chairperson designee*

54
55 *Unless the County Board approves a contract for outside management and operation of*
56 *the transit system by April 1, 2014, the policy of Milwaukee County is to bring*
57 *management and operation of transit in-house. The Milwaukee County Department of*
58 *Transportation - Director's Office shall work with other departments as necessary to*
59 *develop a transition plan which transfers the management and operation of all existing*
60 *services of the Milwaukee County Transit System to an internal County department or*
61 *division. The plan shall provide an effective transition that is coordinated with the*
62 *expiration of the MTS contract without any major interruption in service delivery. Aspects*
63 *of the model that Milwaukee County uses to manage and operate General Mitchell*
64 *International Airport (GMIA) may be used to help operate the Transit System.*

65
66 *In effect, the current contract between Milwaukee County and MTS, Inc. is for the*
67 *management services provided by two individuals. The expense incurred by the system*
68 *(including operating expenses, capital equipment, wages and benefit liabilities) are*
69 *funded by governmental taxing authorities and riders. Yet the services provided through*
70 *the management contract, including entering into emergency contracts, are removed*
71 *from normal County oversight. In addition, transit services rely on a separate series of*
72 *internal and external overhead costs such as procurement, risk management, legal,*
73 *accounting, budget, payroll, accounts payable, treasury, human resources, pension,*
74 *health, information technology, facilities management and labor relations. Milwaukee*
75 *County already owns the buses, facilities and other assets of MCTS. Milwaukee County*
76 *also already effectively serves as the backstop for the MCTS pension system. The direct*
77 *provision of management and operation of the transit system by an internal department*
78 *or division will help clear up questions that have arisen related to the chain of command*
79 *and responsibilities.*

80
81 ; and

82
83 WHEREAS, the Comptroller submitted a report to the County Board dated
84 February 25, 2014, in response to the budget directive outlined above, that reported on
85 the advantages and disadvantages of outsourcing or in-sourcing transit operations,
86 while acknowledging the Workgroup had substantial discussion regarding blended
87 models of in-sourcing and outsourcing; and

88 WHEREAS, the County Executive, in an email to County Board Supervisors
89 dated March 24, 2014, indicated that while he preferred to rebid the transit services
90 contract, he wanted the Board to pass a clear policy direction to pursue outsourcing

91 rather than in-sourcing and, in addition, approve a revised appeals process prior to
92 issuing a new RFP; and

93

94 WHEREAS, the County Executive further indicated that McDOT would be
95 seeking County Board approval of a \$250,000 contract with a management consulting
96 firm for “merger and acquisition” services in order to pursue the County’s adopted policy
97 of bringing management and operation of transit in-house if a new contract with a
98 private vendor was not in place by April 1, 2014; and

99

100 WHEREAS, the County Executive also reported that the director of McDOT and
101 Corporation Counsel spoke to Federal Transit Administration (FTA) officials who
102 indicated that simply making the top two managers of MTS, Inc. County employees and
103 leaving the remaining employees at MTS, Inc., as currently structured, would likely not
104 satisfy competitive bidding requirements; and

105

106 WHEREAS, FTA officials did indicate that it was possible that there may be other
107 alternatives that were not contemplated that would allow the MTS, Inc./County
108 relationship to be restructured that would satisfy competitive bidding requirements; and

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110 WHEREAS, the Committees on Transportation, Public Works and Transit and
111 Finance, Personnel and Audit, in response to the Comptroller’s Workgroup report,
112 directed further review of policy questions to Corporation Counsel regarding employee
113 union bargaining rights; Corporation Counsel recently reported on comparative rights of
114 transit workers as Milwaukee County employees in contrast to outside employee rights;
115 now, therefore,

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117 BE IT RESOLVED, that the Milwaukee County Board of Supervisors directs that
118 the stated 2014 Adopted Budget transit policy directive outlined in this resolution shall
119 be revised as follows:

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- 121 • The policy of Milwaukee County shall be to bring management of transit
122 in-house and services for operations shall remain outside of Milwaukee
123 County unless further revised by formal action of the Board

124

125 ; and

126 BE IT FURTHER RESOLVED that Corporation Counsel working in conjunction
127 with the Office of Comptroller shall submit to the FTA legal changes that would be
128 necessary to develop a “blended” insourcing of transit management but outsourcing of
129 operations that would satisfy the Federal Transit Administration while providing a
130 restructured relationship with MTS, Inc. to achieve the most cost effective, locally run
131 not-for-profit transit system for Milwaukee County.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: March 31, 2014

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: A resolution providing policy guidance on the future operation and management of the Milwaukee County Transit/Paratransit System (MCTS)

FISCAL EFFECT:

- | | |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact
<input checked="" type="checkbox"/> Existing Staff Time Required
<input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input type="checkbox"/> Absorbed Within Agency's Budget
<input type="checkbox"/> Not Absorbed Within Agency's Budget
<input type="checkbox"/> Decrease Operating Expenditures
<input type="checkbox"/> Increase Operating Revenues
<input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures
<input type="checkbox"/> Decrease Capital Expenditures
<input type="checkbox"/> Increase Capital Revenues
<input type="checkbox"/> Decrease Capital Revenues
<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
Operating Budget	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0
Capital Improvement Budget	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.

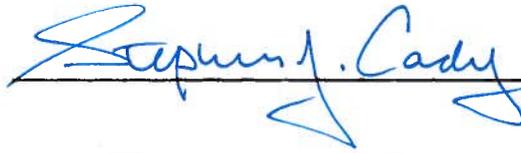
- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
 - B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ 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. Approval of this resolution would modify Milwaukee County's policy directive for transit services to: "bring management of transit in-house and services for operations shall remain outside of Milwaukee County unless further revised by formal action of the Board." The resolution also directs that Corporation Counsel, working in conjunction with the Office of the Comptroller, to submit to the Federal Transit Administration (FTA) proposed legal changes that would be necessary to develop a "blended" insourcing of transit management but outsourcing of operations that would satisfy the FTA while providing a restructured relationship with MTS, Inc.
 - B. Approval of this resolution would not require an expenditure of funds, but would require existing staff time to accomplish. It should be noted that to the extent outside legal and/or managerial consultants are needed to assist in achieving the stated policy goal, requests for additional appropriations may be necessary. This decision would be made by the Corporation Counsel.
 - C. None, unless additional funding is later needed for legal and/or managerial consulting services.
 - D. None.

¹ 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.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.

Department/Prepared By Steve Cady, Research and Policy Director, Office of the Comptroller

Authorized Signature



Did DAS-Fiscal Staff Review?

Yes

No

Did CDBP Review?²

Yes

No

Not Required

File No.

(ITEM NO.) A resolution to amend County policy to maintain operations and management of Milwaukee County transit system through a private provider administered through a competitive process.

A RESOLUTION

WHEREAS, the 2014 Adopted Budget was amended by the Board to stipulate that unless the County Board approves a contract for outside management and operation of the transit system by April 1, 2014, the policy of Milwaukee County is to bring management and operation of Milwaukee County Transit System (MCTS) in-house; and

WHEREAS, according to the Comptroller, "there is limited experience available in other transit jurisdictions of a transition from out-sourced system to an in-house system"; and

WHEREAS, the Comptroller's analysis was only a "starting point" in making a decision from out-sourcing to in-housing and

WHEREAS, policymakers do not have enough information to fully consider the operational, legal and administrative implications and risks of bringing this function in-house; and;

WHEREAS, several policymakers have publicly questioned the implications of bringing transit operations in-house and seem to favor preparing a competitive Request for Proposal (RFP) for transit management services to continue under a private provider, and

WHEREAS, having the county proceed on a dual track of producing and administering another RFP along with the consideration of bringing operations in-house is counterproductive, inefficient, and a considerable strain on resources particularly given the overwhelming sentiment of the board and community to produce another RFP, and

WHEREAS, Milwaukee County's intent and goal is to provide exceptional public transportation services to its residents by running a highly effective, efficient and safe system; and

WHEREAS, bringing MCTS in-house is a highly complex decision that will affect several county departments, over 1,000 employees and many thousands of bus riders; now, therefore

BE IT RESOLVED, that Milwaukee County hereby clarifies its intent and goal to provide exceptional public transportation services to its residents by running a highly effective, efficient and safe system; and

BE IT FURTHER RESOLVED, that the current policy of bringing management and operations of MCTS in-house is replaced with a policy to seek a Request for Proposal for transit management services to operate MCTS; and

BE IT FURTHER RESOLVED, that once this resolution and changes to the MCGO Chapter 110 appeals process are adopted, the Department of Transportation will seek a provider that brings the best

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49 value to the County. This may require extending the current contract with MTS into 2015 as necessary;
50 and

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52 BE IT FURTHER RESOLVED, that the Department of Transportation may retain assistance to
53 develop a new RFP based on industry best practices and to allow for an independent third party to
54 oversee the process to remove any notion of bias or secrecy; and

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56 BE IT FURTHER RESOVLED, that the Chairperson of the Milwaukee County Board of Supervisors
57 or her designee is hereby appointed to be an independent non-voting member of the evaluation
58 committee who may observe the process while maintaining impartial confidentiality during the
59 evaluation process; and

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61 BE IT FURTHER RESOLVED, that prior to issuance of a new RFP for transit management services,
62 revisions will be made to the appeals process so that the appropriate appeals process can be referenced
63 in a new RFP.
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MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 3/28/14

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Amendment to County policy to maintain operations and management of Milwaukee County transit system through a private provider administered through a competitive process.

FISCAL EFFECT:

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|--|--|
| <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
(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.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

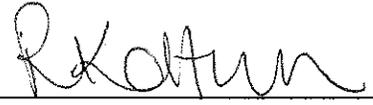
DESCRIPTION OF FISCAL EFFECT

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.¹ 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. This resolution amends County policy to maintain operations and management of Milwaukee County transit system through a private provider administered through a competitive process.
- B. There are no direct costs to changing the County policy as stated in the resolution. The Department of Transportation may retain assistance to develop a new RFP based on industry best practices and to allow for an independent third party to oversee the process to remove any notion of bias or secrecy.
- C. The result of the RFP will likely have a positive impact on the budget, however the exact impact cannot be determined at this time.

Department/Prepared By Raisa Koltun

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No
Did CBDP Review?² Yes No Not Required

¹ 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.
² Community Business Development Partners' review is required on all professional service and public work construction contracts.

FILE NO.
14-311
TPWT

COUNTY OF MILWAUKEE

INTER-OFFICE COMMUNICATION

Referred
APR 01 2014
County Board

DATE: March 31, 2014
TO: Marina Dimitrijevic, Chairwoman County Board of Supervisors
FROM: Chris Abele, County Executive
SUBJECT: Amendment to County policy to maintain operations and management of Milwaukee County transit system through a private provider administered through a competitive process.

This report is a supplement to the resolution and fiscal note submitted to the Chairwoman on Friday, March 28, 2014.

In the 2014 operating budget, the Milwaukee County Board of Supervisors adopted a budget amendment authorizing the Director of Transportation to begin the process of transitioning transit management and operations to the County as a division of the Department of Transportation provided the County Board has not approved a transit management services contract by April 1, 2014. To date the County Board has not approved such a contract so the current policy is to bring transit services in-house.

Consistent with this policy statement, the Department of Transportation will submit a \$250,000 initial contract with a management consulting firm for "merger and acquisition" services to guide the County through this process. This is an initial contract estimate to begin the process, and will likely need amendment for a higher amount in the future.

As I have stated to Supervisors previously, it remains my strong preference to issue another RFP as soon as possible. I have heard from several individual Supervisors that is also their desire, however, we cannot responsibly issue another RFP until Supervisors:

- Pass a clear policy directing us to pursue outsourcing instead of insourcing; and
- Move forward with approving a new appeals process.

This is why you have before you this resolution asking for a change in policy. A separate report suggesting an appeals process based on best practices has been submitted by the Comptroller.

I look forward to working collaboratively with Supervisors to make sure we are successful in meeting our shared goal of providing exceptional public transportation services through a highly effective, efficient and safe transit system.

Cc: County Board of Supervisors
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Paul Bargren, Corporation Counsel
Brian Dranzik, Director, Department of Transportation

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE: March 30, 2014
TO: Michael Mayo, Sr., Chairperson
Transportation, Public Works & Transit Committee
FROM: Brian Dranzik, Director, Department of Transportation
SUBJECT: Transit Plus Program at Milwaukee County Transit System

POLICY

This report is for informational purposes only.

BACKGROUND

Information related to Milwaukee County Transit System's Transit Plus Program was provided to Supervisor Jursik in March, 2014. At the request of Supervisor Jursik, this information is presented below as an informational memo for the Committee.

Paratransit is a specialized service for individuals with a disabling illness or condition that prevents them from using Milwaukee County Transit System buses. Not all people with disabilities are either eligible, or choose, to use paratransit services. The following describes the program more thoroughly.

Who qualifies for Transit Plus service?

- A person with a disability who cannot independently board, ride or get off a bus.
- A person whose disability-related condition or environmental barrier makes it impossible to independently travel to or from a fixed route bus stop.

To be eligible for paratransit services an individual must experience a disability which precludes them from accessing fixed route bus transportation. Eligible individuals may either be found eligible for all paratransit trips (unconditionally eligible) or eligible for trips under some conditions (conditionally eligible).

There are many circumstances in which a person with some disability does not qualify, need or choose to use paratransit services such as:

- Individual may not have a disability that rises to the level of requiring special transportation.
- Some may have difficulties occasionally. For instance, conditions such as poor night lighting, uneven surfaces, hills, etc. may compromise the ease, or possibility of independence.
- An eligible paratransit rider may be expected to use fixed route services some of the time when capable of doing so.

- Others with disabilities may not identify themselves as people experiencing transportation limitations while reducing their involvement in the community or family life.
- And some with recently acquired disabilities may not know of transportation services available to them.

Benefits of Riding the Bus over Paratransit Service

MCTS is proud to provide paratransit service for those who need it, but we make every effort to encourage citizens to ride the bus. In fact, we continuously work to remove barriers that might prevent someone from riding the bus.

Currently, there are 5,000 Transit Plus users:

- 2,541 have conditional eligibility
- 2,459 have no conditions on service

Also there are 4,204 reduced fare clients made up of the following:

- 680 who are eligible due to Medicare
- 1,044 who are eligible since they are over 65 years
- 2,480 who are eligible due to physician notification

The following are examples of benefits of using bus transportation over paratransit:

- Increase everyone's travel independence by increasing mobility options with 59 bus routes traveling across Milwaukee County.
- Bus is easier to use. The van program requires reservations, made at least the day prior.
- Less wait time with the bus. There may be up to a 25 minute wait time when using paratransit. This is within ADA parameters.
- By using the bus system, riders can travel more spontaneously, count on a bus's regular schedule and be more connected to the community. Many times people need to travel to a location that was not planned or unable to plan a day in advance.
- The bus is cost effective for the rider and the community. Each paratransit trip costs taxpayers nearly \$32, of which passengers pay \$3.50.

National statistics suggest that more than 50 million Americans will experience a disabling condition during the span of their lives. This not only impacts their lives, but the lives of family and friends. Becoming a person with a disability is a minority population which anyone can join in the course of their lives.

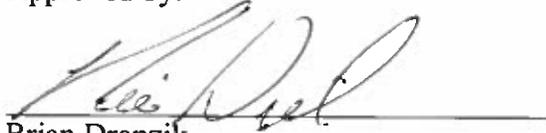
RECOMMENDATION

This report is information purposes only.

March 30, 2014
Page 3

Prepared by: Mike Giugno, Managing Director, MCTS

Approved by:



Brian Dranzik
Director, Department of Transportation

Attachment

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
Don Tyler, Director, Department of Administrative Services
Josh Fudge, Interim Fiscal and Budget Administrator, Department of Administrative Services
Anthony Geiger, Fiscal and Budget Analyst, Department of Administrative Services

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE: March 14, 2014

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

FROM: Brian Dranzik, Director, Transportation and Public Works

SUBJECT: **AMENDMENT TO BUILDING LEASE AGREEMENT BETWEEN
MILWAUKEE COUNTY AND ACC HOLDING, INC. (AIR CARGO
CARRIERS, INC.)**

POLICY

County Board approval is required to amend a building lease agreement with ACC Holding, Inc. for an office building at Milwaukee County's MKE Regional Business Park at General Mitchell International Airport (GMIA).

BACKGROUND

ACC Holding, Inc. (Air Cargo Carriers) is a cargo airline headquartered in Milwaukee with its main base of operations at General Mitchell International Airport. It was established in 1986 and is the largest civilian operator of Shorts aircraft in the world.

Milwaukee County previously approved entering into a three (3) year lease agreement (May 1, 2011-April 30, 2014), with a mutual renewal option for an additional two (2) years with Air Cargo Carriers for the lease of building 102, 6135 North Jasper Ave (File No. 11-108/11-78). At that time this provided Air Cargo Carriers the opportunity to consolidate their multiple office locations into one location. In addition to the office space, Air Cargo Carriers leases two hangers at GMIA.

The current lease agreement expires on April 30, 2014, with a mutual option to renew the lease for one (1) additional term of two (2) years.

Air Cargo Carriers currently leases a 23,675 square foot area. Due to a reduction of their business, Air Cargo Carriers has indicated that they wish to execute the option, but with a reduced square footage resulting in a lease area of approximately 8,800 square feet.

RECOMMENDATION

Airport staff recommends that Milwaukee County approve the lease option for one (1) additional term of two (2) years and amend the current lease agreement with ACC Holding, Inc. from the current lease of approximately 23,675 square feet of office space at Milwaukee County's MKE Regional Business Park to approximately 8,800 square feet of office space, under standard terms and conditions for County-owned land and building space, inclusive of the following:

The term of the triple net lease agreement shall be a continuance of the current lease for two (2) years, effective May 1, 2014, and ending April 30, 2016.

FISCAL NOTE

Rental income for the reduced space of approximately 8,800 square feet in building 102 will be established at the current market rate of \$7.50/sq. ft. for an annual rental of \$66,000.00. Rental income will decrease in the amount of \$101,616 per year from \$167,616 for 23,675 sq. ft. to \$66,000 for the new leasehold space of 8,800 sq. ft.

Prepared by: Ted J. Torcivia, Airport Business Manager

Approved by:

Brian Dranzik, Director
Transportation and Public Works

C. Barry Bateman
Airport Director

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(ITEM) From the Director of Transportation and Public Works and the Airport Director, requesting that Milwaukee County amend a building and parking lease agreement with ACC Holding, Inc. (Air Cargo Carriers) for an office building at Milwaukee County's MKE Regional Business Park at General Mitchell International Airport (GMIA) by recommending adoption of the following.

RESOLUTION

WHEREAS, Air Cargo Carriers is a cargo airline headquartered in Milwaukee with its main base of operations at General Mitchell International Airport. It was established in 1986 and is the largest civilian operator of Shorts aircraft in the world; and

WHEREAS, Currently Air Cargo Carriers occupies two hangers at GMIA located in the northwest quadrant. In 2011, Air Cargo Carriers consolidated much of their multiple office locations in one location. The north half of the building located at 6135 South Jasper Avenue at Milwaukee County's MKE Regional Business Park provided a single location on the first floor and entire second floor for Air Cargo Carriers' administrative offices; and

WHEREAS, the current lease agreement for the current 23,675 square feet of space expires on April 30, 2014, with an option to renew the lease for one (1) additional term of two (2) years; and

WHEREAS, due to a reduction of their business, Air Cargo Carriers is requesting a reduction in their leased area; and

WHEREAS, by vacating the majority of the second floor area, the adjusted office space required in the general lease area will be reduced to approximately 8,800 square feet; now, therefore

BE IT RESOLVED, that the Director of Transportation and Public Works and the Airport Director are hereby authorized to renew the lease agreement for one (1) additional term of two (2) years and amend the current lease agreement with Air Cargo Carriers, effective May 1, 2014, from the lease of approximately 23,675 square feet of office space (building 102) at the former Milwaukee County's MKE Regional Business Park to approximately 8,800 square feet of office space, under the following terms and conditions:

1. The term of the triple net lease agreement shall be a continuance of the current lease for two (2) years, effective May 1, 2014, and ending April 30, 2016.
2. Rental for the approximately 8,800 square feet of space in the building will be established at the current market rate of \$7.50/sq. ft. for the approximate annual

47 rental of \$66,000.00.

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49 H:\Private\Clerk Typist\Aa01\TPW&T 14\04 - April 14\RESOLUTION - ACC Holding Lease Amendment.doc

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 3/14/14

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: AMENDMENT TO BUILDING AND PARKING LEASE AGREEMENT BETWEEN MILWAUKEE COUNTY AND ACC HOLDINGS, INC. (AIR CARGO CARRIERS, INC.)

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
(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 checked="" 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.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure		
	Revenue	-67,744	-101,616
	Net Cost		
Capital Improvement Budget	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. ¹ 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.

Rental income for the reduced space of approximately 8,800 square feet in building 102 will be established at the current market rate of \$7.50/sq. ft. for an annual rental of \$66,000.00. Rental income will decrease in the amount of \$101,616 per year from \$167,616 for 23,675 sq. ft. to \$66,000 for the new leasehold space of 8,800 sq. ft. There no tax levy impact.

Department/Prepared By Ted J. Torcivia, Airport Business Manager

Authorized Signature _____

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required

¹ 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.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE: March 11, 2014

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

FROM: Brian Dranzik, Director, Department of Transportation

SUBJECT: **IN-TER-SPACE SERVICES, INC., D/B/A INTERSPACE AIRPORT ADVERTISING AGREEMENT NO. CN-1411 TERM EXTENSION**

POLICY

County Board approval is required to extend concession agreements at General Mitchell International Airport (GMIA).

BACKGROUND

Milwaukee County solicited proposals for a new display advertising concession at GMIA for a five year term beginning September 1, 2014 under Official Notice No. 6845. No proposals were received by the March 13, 2014 due date. As reasons for not proposing, prospective proposers cited the merged airlines shifting among concourses, and the bag building remodeling that will not be completed until mid to late 2015. The baggage claim remodeling project impacts bag claim advertising sales opportunities and the amount of time during which to amortize their investment. Prospective proposers indicated that the GMIA advertising opportunity would be more attractive if the Request for Proposal were delayed until that project is completed and the airlines have made their final location plans.

In-Ter-Space Services, Inc., d/b/a Interspace Airport Advertising (Interspace) currently operates the display advertising concession and cited similar reasons for not proposing. Interspace has offered to continue operating under the current agreement.

RECOMMENDATION

Airport staff recommends that Airport Agreement No. CN-1411 be amended to continue the Agreement from May 1, 2014 through December 31, 2016 under the same terms and conditions contained in the Agreement. Airport staff will issue a Request for Proposal for display advertising in early 2016 to be effective January 1, 2017 in order to facilitate an orderly transition to a new advertising program.

Chairwoman Marina Dimitrijevec
Supv. Michael Mayo, Sr.
March 11, 2014
Page 2

FISCAL NOTE

There is no fiscal effect since advertising concession revenues will remain unchanged.

Prepared by: Kathy Nelson, Airport Properties Manager

Approved by:

Brian Dranzik, Director,
Department of Transportation

C. Barry Bateman
Airport Director

File No.
Journal

(Item) From the Director, Department of Transportation, requesting that Airport Agreement No. CN-1411 between Milwaukee County and In-Ter-Space Services, Inc., dba Interspace Airport Advertising for the provision of display advertising at General Mitchell International Airport (GMIA) be extended by recommending adoption of the following:

RESOLUTION

WHEREAS, Milwaukee County solicited proposals for a new display advertising concession at GMIA for a five year term beginning September 1, 2014 under Official Notice No. 6845; and

WHEREAS, no proposals were received by the February 20, 2014 due date; and

WHEREAS, prospective proposers indicated that the GMIA advertising opportunity would be more attractive if the Request for Proposal were delayed until the bag claim building remodeling was completed and the airlines have made their final relocation plans on the concourses; and

WHEREAS, In-Ter-Space Services, Inc., dba Interspace Airport Advertising (Interspace) currently operates the display advertising concession and has offered to continue to operating under the Airport Agreement No. CN-1411; and

WHEREAS, Airport staff intends to again solicit proposals for display advertising at GMIA after completion of the bag claim remodeling in early 2016 for a new agreement to commence January 1, 2017, and

WHEREAS, the Transportation, Public Works and Transit Committee, at its meeting on April 9, 2014, recommended approval (vote) that Airport Agreement No. CN-1411 between Milwaukee County and In-Ter-Space Services, Inc., dba Interspace Airport Advertising be amended to continue the agreement through December 31, 2016; now, therefore,

BE IT RESOLVED, that the Director, Department of Transportation and the County Clerk are hereby authorized to amend Airport Agreement No. CN-1411 between Milwaukee County and In-Ter-Space Services, Inc., dba Interspace Airport Advertising to continue the agreement from May 1, 2014 through December 31, 2016 under the same terms and conditions contained in airport Agreement No. CN-1411.

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MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 3/11/14

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: IN-TER-SPACE SERVICES, INC., DBA INTERSPACE AIRPORT ADVERTISING AGREEMENT NO. CN-1411 TERM EXTENSION

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
(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.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	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. ¹ 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 fiscal effect since advertising concession revenues will remain unchanged by extending the agreement.

Department/Prepared By Kathy Nelson, Airport Properties Manager

Authorized Signature _____

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required

¹ 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.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE: March 10, 2014

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

FROM: Brian Dranzik, Director, Department of Transportation

SUBJECT: **AMEND AIRPORT AGREEMENT NO. CN-1906 WITH SSP AMERICA, INC., TO ADJUST SPACE, INVESTMENT, AND MINIMUM ANNUAL GUARANTEE**

POLICY

County Board approval is required to amend concession agreements at General Mitchell International Airport (GMIA).

BACKGROUND

On November 30, 2009 Milwaukee County entered into Airport Agreement No. CN-1906 with SSP America, Inc., for the provision of food and beverage services at GMIA. On September 24, 2009 [File No. 07-283 (a)(g)] and December 16, 2010 [File No. 07-283 (a)(h)] the County Board authorized amending Airport Agreement No. CN-1906 to reduce space in the Concession Mall for reassignment to Host International and to add space on each of the three Concourses because of anticipated greater needs for additional food and beverage on the Concourses.

Due to recent airline mergers and service reductions at GMIA, the locations awarded to SSP America on Concourse E and Lower Level Concourse D are not needed at this time. SSP America is requesting to relinquish the space on Lower Level D Concourse since the gates are no longer in use. Due to reduced enplanements on Concourse E, Airport staff has asked SSP America to defer building the Concourse E facility until such time that it is needed. SSP America intends to retain the Concourse E space and have the space included in its Minimum Annual Guarantee (MAG) payments to the County.

In addition, when the Concession Mall space was returned to Host, SSP America's MAG payment was inadvertently not adjusted by the \$77,000 associated with the space. This has not been an issue, since SSP America's percentage payments have exceeded MAG every contract year. A MAG adjustment to the Agreement would only be needed if the MAG exceeds the percentage payments in future years.

RECOMMENDATION

Airport staff recommends that Airport Agreement No. CN-1906 be amended to adjust the space under lease, the investment commitment, and the Minimum Annual Guarantee to the amounts contained in County's Request for Proposal and SSP America's proposal, inclusive of the following.

1. Remove 102 square feet of space from the Agreement that was to be a Lower Level Concourse D facility.

Chairwoman Marina Dimitrijevec
Supv. Michael Mayo, Sr.
March 10, 2014
Page 2

2. Reduce the MAG from \$891,000 to \$804,000 in order to remove the \$10,000 MAG associated with the Lower Level Concourse D space, and the \$77,000 MAG associated with the Concession Mall space that was returned to Host International.
3. Reduce the investment in facilities from \$4,388,424 to \$4,298,424 with \$350,000 deferred until Airport staff determines that the Concourse E facility is needed.

FISCAL NOTE

There is no fiscal effect because the percentage payment has exceeded the MAG for each contract year. SSP America's investment in facilities has exceeded the original investment amount with the facilities already built.

Prepared by: Kathy Nelson, Airport Properties Manager

Approved by:

Brian Dranzik, Director,
Department of Transportation

C. Barry Bateman
Airport Director

File No.
Journal

(Item) From the Director, Department of Transportation, requesting that Airport Agreement No. CN-1906 between Milwaukee County and SSP America, Inc. be amended by recommending adoption of the following:

RESOLUTION

WHEREAS, on November 30, 2009, Milwaukee County entered into Airport Agreement No. CN-1906 with SSP America, Inc., for the provision of food and beverage services at GMIA; and

WHEREAS, on September 24, 2009 [File No. 07-283 (a)(g)] and December 16, 2010 [File No. 07-283 (a)(h)] the County board authorized amending Airport Agreement No. CN- 1906 to reduce space in the Concession Mall for reassignment to Host International and to add space on each of the three concourses because of anticipated greater needs for additional food and beverage on the concourses; and

WHEREAS, due to recent airline mergers and service reductions at GMIA, the locations awarded to SSP America on Concourse E and Lower Level Concourse D are not needed at this time, and SSP America is requesting to relinquish the space on Lower Level D concourse since the gates are no longer in use; and

WHEREAS, when certain Concession Mall space was returned to Host, SSP America's Minimum Annual Guarantee (MAG) payment was inadvertently not adjusted by the \$77,000 associated with the space; and

WHEREAS, the Transportation, Public Works and Transit Committee, at its meeting on April 9, 2014, recommended approval (vote) that Airport Agreement No. CN-1906 between Milwaukee County and SSP America, Inc. be amended to adjust SSP America's financial investment, space and the Minimum Annual Guarantee payment resulting from relinquishing space, now, therefore,

BE IT RESOLVED, that the Director, Department of Transportation and the County Clerk are hereby authorized to amend Airport Agreement No. CN-1906 between Milwaukee County and SSP America, Inc., as follows:

1. Remove approximately 102 square feet of space from the Agreement that was intended for a Lower Level Concourse D facility.
2. Reduce the MAG from \$891,000 to \$804,000 in order to remove the \$10,000 MAG associated with the Lower Level concourse D space, and the \$77,000 MAG associated with the Concession Mall space that was returned to Host International.

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3. Reduce the investment in facilities from \$4,388,424 to \$4,298,424 with \$350,000 deferred until Airport staff determines that the Concourse E facility is needed.

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MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 3/10/14

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: AMEND AIRPORT AGREEMENT NO. CN-1906 WITH SSP AMERICA, INC., TO ADJUST SPACE, INVESTMENT, AND MINIMUM ANNUAL GUARANTEE

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
(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.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	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. ¹ 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 fiscal effect because the percentage payment has exceeded the Minimum Annual Guarantee payment for each contract year. SSP America's investment in facilities has exceeded the original investment amount with the facilities already built.

Department/Prepared By Kathy Nelson, Airport Properties Manager

Authorized Signature _____

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required

¹ 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.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE: March 17, 2014

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

FROM: Brian Dranzik, Director, Department of Transportation

SUBJECT: **REVISION TO THE MINIMUM STANDARDS FOR COMMERCIAL
AERONAUTICAL ACTIVITIES ON MILWAUKEE COUNTY AIRPORTS IN ORDER
TO REMOVE INSURANCE AMOUNTS.**

POLICY

Milwaukee County Ordinance 4.07 requires County Board approval for revisions to the Minimum Standards for Commercial Aeronautical Activities on Milwaukee County Airports.

BACKGROUND

FAA Regulations strongly recommend that airports develop and maintain a listing of minimum standards in order to promote safety in all airport activities, maintain a higher quality of service for airport users, protect airport users from unlicensed and unauthorized products and services, enhance the availability of adequate services for all airport users, and promote the orderly development of airport land. Milwaukee County adopted its first Schedule of Minimum Standards for Commercial Aeronautical Activities on Milwaukee County's Airports ("Minimum Standards") in 1966. Revisions were adopted in October 2003, March 2010, and April 2013. Milwaukee County's Minimum Standards address specific aeronautical activities including line services, airframe and engine maintenance and repair and/or modification, specialized aircraft repair services, aircraft sales (new and/or used), flight training, aircraft charter and air taxi, aircraft rental and lease, special commercial flying services, T-hangar storage, commercial fractional aircraft management services, and aircraft management services operations.

From time to time it becomes necessary to clarify the requirements of certain minimum standards. Such an instance has arisen regarding listing of insurance requirements pertaining to the various sections contained in the Minimum Standards. The minimum amounts listed are far below current requirements and the amounts cause confusion between the minimum amounts required under the standards and the defined amounts required by Milwaukee County's Risk Manager. Accordingly, Airport staff proposes to delete the minimum amounts of insurance from the respective insurance tables listed in each section of the Minimum Standards and to instead identify the insurance required by the County's Risk Manager in the applicable operating permit or lease agreement. Airport staff believes that this change will allow prospective operators to better understand the proper amounts of insurance at the time of their applications.

RECOMMENDATION

In order to effectuate the revisions to the Minimum Standards, Airport staff recommends that Milwaukee County amend the insurance paragraphs of the Minimum Standards contained in the following sections:

Aeronautical Activity

Section A.2.(h)	Line Services
Section B.2.(c)	Airframe and Engine and Repair and/or Modification
Section C.2.(c)	Specialized Aircraft Repair Services
Section D.2.(c)	Aircraft Sales (New and/or Used)
Section E.2.(c)	Flight Training
Section F.2.(c)	Aircraft Charter and Air Taxi
Section G.2.(d)	Aircraft Rental and Lease
Section H.2.(b)	Specialized Commercial Flying Services
Section I.2.(d)	T-Hangar Storage
Section J.2.(c)	Commercial Fractional Aircraft Management Services
Section K.2.(c)	Aircraft Management Services Operator

In order to avoid confusion, at the time of application Commercial Operators will be referred to the insurance requirements contained in the relevant permit or agreement.

FISCAL NOTE

There is no fiscal impact with the revision of Minimum Standards.

Prepared by: Steven A. Wright – Airport Properties Manager

Approved by:

Brian Dranzik, Director
Department of Transportation

C. Barry Bateman
Airport Director

(Item) From the Director, Department of Transportation, requesting a revision to the Minimum Standards for Commercial Aeronautical Activities on Milwaukee County Airports in order to remove insurance amounts:

RESOLUTION

WHEREAS, FAA Regulations strongly recommend that airports develop and maintain a listing of minimum standards in order to promote safety in all airport activities, maintain a higher quality of service for airport users, protect airport users from unlicensed and unauthorized products and services, enhance the availability of adequate services for all airport users, and promote the orderly development of airport land; and

WHEREAS, Milwaukee County adopted its first Schedule of Minimum Standards for Commercial Aeronautical Activities on Milwaukee County's Airports ("Minimum Standards") in 1966. Revisions were adopted in October 2003, March 2010, and April 2013; and

WHEREAS, Milwaukee County's Minimum Standards address specific aeronautical activities including line services, airframe and engine maintenance and repair and/or modification, specialized aircraft repair services, aircraft sales (new and/or used), flight training, aircraft charter and air taxi, aircraft rental and lease, special commercial flying services, T-hangar storage, commercial fractional aircraft management services, and aircraft management services operations; and

WHEREAS, From time to time it becomes necessary to clarify the requirements of certain minimum standards. Such an instance has arisen regarding listing of insurance requirements pertaining to the various sections contained in the Minimum Standards; and

WHEREAS, The minimum amounts listed are far below current requirements and the amounts cause confusion between the minimum amounts required under the standards and the defined amounts required by Milwaukee County's Risk Manager, and

WHEREAS, Accordingly, Airport staff proposes to delete the minimum amounts of insurance from the respective insurance tables listed in each section of the Minimum Standards and to instead identify the insurance required by the County's Risk Manager in the applicable operating permit or lease agreement, and

WHEREAS, Airport staff believes that this change will allow prospective operators to better understand the proper amounts of insurance at the time of their applications, and

47 WHEREAS, In order to effectuate the revisions to the Minimum Standards,
48 Airport staff recommends that Milwaukee County amend the insurance paragraphs of
49 the Minimum Standards contained in the following sections:

50 Aeronautical Activity

51	Section A.2.(h)	Line Services
52	Section B.2.(c)	Airframe and Engine and Repair and/or Modification
53	Section C.2.(c)	Specialized Aircraft Repair Services
54	Section D.2.(c)	Aircraft Sales (New and/or Used)
55	Section E.2.(c)	Flight Training
56	Section F.2.(c)	Aircraft Charter and Air Taxi
57	Section G.2.(d)	Aircraft Rental and Lease
58	Section H.2.(b)	Specialized Commercial Flying Services
59	Section I.2.(d)	T-Hangar Storage
60	Section J.2.(c)	Commercial Fractional Aircraft Management Services
61	Section K.2.(c)	Aircraft Management Services Operator, and

62
63 WHEREAS, In order to avoid confusion, at the time of application Commercial
64 Operators will be referred to the insurance requirements contained in the relevant
65 permit or agreement, and
66

67 WHEREAS, the Transportation, Public Works and Transit Committee, at its
68 meeting on April 9, 2014, recommended approval (vote) that Milwaukee County
69 amend the insurance paragraphs of the Minimum Standards; now, therefore

70
71 BE IT RESOLVED, that the Director, Department of Transportation and the
72 County Clerk are hereby authorized to amend the insurance paragraphs of the Minimum
73 Standards contained in the following sections:

74 Aeronautical Activity

75	Section A.2.(h)	Line Services
76	Section B.2.(c)	Airframe and Engine and Repair and/or Modification
77	Section C.2.(c)	Specialized Aircraft Repair Services
78	Section D.2.(c)	Aircraft Sales (New and/or Used)
79	Section E.2.(c)	Flight Training
80	Section F.2.(c)	Aircraft Charter and Air Taxi
81	Section G.2.(d)	Aircraft Rental and Lease
82	Section H.2.(b)	Specialized Commercial Flying Services
83	Section I.2.(d)	T-Hangar Storage
84	Section J.2.(c)	Commercial Fractional Aircraft Management Services
85	Section K.2.(c)	Aircraft Management Services Operator

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 3/17/14

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: REVISION OT THE MINIMUM STANDARDS FOR COMMERCIAL AERONAUTICAL ACTIVITIES ON MILWAUKEE COUNTY AIRPORTS IN ORDER TO REMOVE INSURANCE AMOUNTS

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
(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.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	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. ¹ 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 fiscal impact with the revision of Minimum Standards

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

Authorized Signature _____

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required

¹ 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.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: March 17, 2014

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

FROM: Brian Dranzik, Director, Department of Transportation

SUBJECT: **AIRPORT LICENSE AGREEMENT BETWEEN SKYWAY AIRLINES, INC., AND CESSNA SERVICEDIRECT, LLC, AT GENERAL MITCHELL INTERNATIONAL AIRPORT**

POLICY

Amendments or subleases to Airport Agreement HP-1302 between Milwaukee County and Astral Aviation, Inc., as assigned to Skyway Airlines, Inc., requires approval by the Milwaukee County Board of Supervisors.

BACKGROUND

On April 1, 2001, Milwaukee County entered into Airport Agreement No. HP-1302 with Astral Aviation, Inc., which was later assigned to Skyway Airlines, Inc., (“Skyway”) for the lease of land in the northwest hangar area at GMIA on which to build a maintenance hangar. The hangar was constructed for the purpose of repairing, maintaining, conditioning, servicing, testing, storing or parking of aircraft and other equipment owned, leased, or operated by Skyway or its corporate affiliates, or any other air carrier or air transportation company authorized to serve Milwaukee. Other uses include training of persons related to Skyway’s conduct of an air transportation business as well as the servicing of Skyway’s aircraft and other equipment on the apron by truck with gasoline, oil, greases, lubricants, and any other fuel or propellant or other supplies required by Skyway.

Skyway discontinued its operation as an air transportation company in May 2008 and vacated the hangar. In 2009, Milwaukee County approved of a sublease between Skyway and Air Cargo Carriers for the maintenance and storage of Air Cargo Carriers aircraft for an initial term of one-year with a two-year renewal option. Air Cargo Carriers did not renew the sublease; therefore, the hangar is currently vacant.

In April 2014, it is planned for the airport to begin a ramp reconstruction project at the Cessna Citation Service Center leased by Cessna Aircraft Company (Cessna) at General Mitchell International Airport causing the need to temporarily displace Cessna’s operations. Cessna owns the hangar at General Mitchell International Airport for the purpose of storing, servicing, repairing and performing maintenance of aircraft, aircraft assemblies, aircraft accessories, radios and electronic equipment and any components thereof, for the sale or lease of aircraft, aircraft assemblies, aircraft audio and electronic equipment and any components or parts thereof. Cessna has been able to secure a license from Skyway in order to use the Skyway hangar during the ramp reconstruction project.

Therefore, Skyway is now requesting approval to license a portion of the hangar facility to Cessna ServiceDirect, LLC (an affiliate to Cessna Aircraft Company).

The Milwaukee County Comptroller, has informed airport staff that Skyway is in compliance with the Standby Reimbursement Agreement.

RECOMMENDATION

Since the uses of the Cessna and Skyway facilities are comparable and there are no issues found in accordance with the Standby Reimbursement Agreement, Airport staff recommends that Milwaukee County approve the License Agreement between Skyway and Cessna ServiceDirect, LLC to allow Cessna ServiceDirect to use the Skyway hangar for the purpose of storing, servicing, repairing and performing maintenance of aircraft, aircraft assemblies, aircraft accessories, radios and electronic equipment and any components thereof, for the sale or lease of aircraft, aircraft assemblies, aircraft audio and electronic equipment and any components or parts thereof.

FISCAL NOTE

The license of space will have no fiscal effect on the airport.

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

Approved by:

Brian Dranzik, Director
Department of Transportation

C. Barry Bateman
Airport Director

File No.
Journal

(Item) From the Director, Department of Transportation, requesting to approve an airport license agreement between Skyway Airlines, Inc., and Cessna ServiceDirect, LLC, at General Mitchell International Airport.

RESOLUTION

WHEREAS, On April 1, 2001, Milwaukee County entered into Airport Agreement No. HP-1302 with Astral Aviation, Inc., which was later assigned to Skyway Airlines, Inc., ("Skyway") for the lease of land in the northwest hangar area at GMIA on which to build a maintenance hangar; and

WHEREAS, The hangar was constructed for the purpose of repairing, maintaining, conditioning, servicing, testing, storing or parking of aircraft and other equipment owned, leased, or operated by Skyway or its corporate affiliates, or any other air carrier or air transportation company authorized to serve Milwaukee; and

WHEREAS, Skyway discontinued its operation as an air transportation company in May 2008 and vacated the hangar; and

WHEREAS, In April 2014, it is planned for the airport to begin a ramp reconstruction project at the Cessna Citation Service Center leased by Cessna Aircraft Company (Cessna) at General Mitchell International Airport causing the need to temporarily displace Cessna's operations, and

WHEREAS, Cessna owns the hangar at General Mitchell International Airport for the purpose of storing, servicing, repairing and performing maintenance of aircraft, aircraft assemblies, aircraft accessories, radios and electronic equipment and any components thereof, for the sale or lease of aircraft, aircraft assemblies, aircraft audio and electronic equipment and any components or parts thereof, and

WHEREAS, Cessna has been able to secure a license from Skyway in order to use the Skyway hangar during the ramp reconstruction project, and

WHEREAS, Skyway is now requesting approval to license a portion of the hangar facility to Cessna ServiceDirect, LLC (an affiliate to Cessna Aircraft Company), and

WHEREAS, The Milwaukee County Comptroller has informed airport staff that Skyway is in compliance with the Standby Reimbursement Agreement, and

WHEREAS, Since the uses of the Cessna and Skyway facilities are comparable and there are no issues found in accordance with the Standby Reimbursement Agreement, Airport staff recommends that Milwaukee County approve the License

47 Agreement between Skyway and Cessna ServiceDirect, LLC to allow Cessna
48 ServiceDirect to use the Skyway hangar for the purpose of storing, servicing, repairing
49 and performing maintenance of aircraft, aircraft assemblies, aircraft accessories, radios
50 and electronic equipment and any components thereof, for the sale or lease of aircraft,
51 aircraft assemblies, aircraft audio and electronic equipment and any components or
52 parts thereof, and
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54 WHEREAS, the Transportation, Public Works and Transit Committee, at its
55 meeting on April 9, 2014, recommended approval (vote) that Milwaukee County
56 approve the License Agreement between Skyway and Cessna ServiceDirect, LLC to
57 allow Cessna ServiceDirect to use the Skyway hangar for the purpose of storing,
58 servicing, repairing and performing maintenance of aircraft, aircraft assemblies, aircraft
59 accessories, radios and electronic equipment and any components thereof, for the sale
60 or lease of aircraft, aircraft assemblies, aircraft audio and electronic equipment and any
61 components or parts thereof, now, therefore,
62

63 BE IT RESOLVED, that the Director, Department of Transportation and the
64 County Clerk are hereby authorized to approve the License Agreement between
65 Skyway and Cessna ServiceDirect, LLC to allow Cessna ServiceDirect to use the
66 Skyway hangar for the purpose of storing, servicing, repairing and performing
67 maintenance of aircraft, aircraft assemblies, aircraft accessories, radios and electronic
68 equipment and any components thereof, for the sale or lease of aircraft, aircraft
69 assemblies, aircraft audio and electronic equipment and any components or parts
70 thereof.
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72 H:\Private\Clerk Typist\Aa01\TPW&T 14\04 - April 14\RESOLUTION - Cessna ServiceDirect license of Skyway Hgr.docx
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MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 3/17/14

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: AIRPORT LICENSE AGREEMENT BETWEEN SKYWAY AIRLINES, INC., AND CESSNA SERVICEDIRECT, LLC, AT GENERAL MITCHELL INTERNATIONAL AIRPORT

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
(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.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	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. ¹ 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 License of space will have no fiscal effect on the airport.

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

Authorized Signature _____

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required

¹ 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.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE: March 17, 2014

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

FROM: Brian Dranzik, Director, Department of Transportation

SUBJECT: **AIRCRAFT HANGAR SALE FROM RONALD E. PUZIA TO ERIC K. WHYTE**

POLICY

County Board approval is required for the sale of hangars at General Mitchell International Airport.

BACKGROUND

On May 5, 2006, Milwaukee County entered into Lease Agreement No. HP-1550 with Ronald E. Puzia for the lease of approximately 2,550 square feet of land at GMIA on which to operate and maintain an aircraft hangar. The agreement was for an initial term of ten (10) years, commencing May 20, 2006 and ending May 19, 2016.

Mr. Puzia is now requesting that Milwaukee County approve the sale of the hangar facilities to Eric K. Whyte and agree to terminate Lease Agreement No. HP-1550 between Milwaukee County and Ronald E. Puzia.

Mr. Whyte is further requesting that Milwaukee County approve the purchase of the hangar from Mr. Puzia and agree to enter into a new hangar land lease agreement between Milwaukee County and Eric K. Whyte. Mr. Whyte owns and operates a private aircraft for his personal use.

RECOMMENDATIONS

Airport staff recommends that Milwaukee County approve the sale of the Ronald E. Puzia hangar facilities to Eric K. Whyte, approve the termination of Lease Agreement No. HP-1550, and approve entering into a new hangar land lease agreement between Milwaukee County and Eric K. Whyte under the standard terms and conditions for private hangars of similar class and size at GMIA, inclusive of the following:

1. The termination of Airport Agreement No. HP-1550 and the terms of a new agreement shall be binding and take effect upon the Date of Sale. The term and obligation to pay rent of the new agreement shall commence upon the Date of Sale.
2. The new agreement with Mr. Whyte shall be for an initial term of five (5) years, commencing on the Date of Sale, with one (1) additional renewal option term of five (5) years.
3. Commencing on the Date of Sale, Mr. Whyte agrees to pay Lessor the then-current land rental rate in effect for the approximate 2,550 square feet of land.
4. The rental rate shall be adjusted by Lessor each July 1, based on the percentage increase

Chairwoman Marina Dimitrijevic
Supv. Michael Mayo, Sr.
March 17, 2014
Page 2

or decrease in the Consumer Price Index (All Urban Consumers) for the Milwaukee area as published by the U.S. Department of Labor, Bureau of Labor Statistics, or the generally accepted national replacement or successor index, as readjusted to the base month and computed by comparison of the then-current January index with the index of the preceding January.

5. The agreement shall contain the current standard insurance and environmental language for protection of the County as it pertains to hangar and lease agreements.

FISCAL NOTE

Land rental for the hangar plot for the first year of the agreement will be approximately \$843.00 per year subject to adjustments based on the percentage increase or decrease in the Consumer Price Index.

Prepared by: Steven A. Wright, A.A.E.

Approved by:

Brian Dranzik, Director,
Department of Transportation

C. Barry Bateman
Airport Director

1 File No.
2 Journal
3

4 (Item) From the Director, Department of Transportation, requesting to approve the
5 sale of the Ronald E. Puzia hangar facilities to Eric K. Whyte, approve the termination of
6 Lease Agreement No. HP-1550, and approve entering into a new hangar land lease
7 agreement between Milwaukee County and Eric K. Whyte under the standard terms and
8 conditions for private hangars of similar class and size at GMIA.
9

10 **RESOLUTION**

11 WHEREAS, On May 5, 2006, Milwaukee County entered into Lease Agreement
12 No. HP-1550 with Ronald E. Puzia for the lease of approximately 2,550 square feet of
13 land at GMIA on which to operate and maintain an aircraft hangar; and
14

15 WHEREAS, The agreement was for an initial term of ten (10) years, commencing
16 May 20, 2006 and ending May 19, 2016; and
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18 WHEREAS, Mr. Puzia is now requesting that Milwaukee County approve the sale
19 of the hangar facilities to Eric K. Whyte and agree to terminate Lease Agreement No.
20 HP-1550 between Milwaukee County and Ronald E. Puzia; and
21

22 WHEREAS, Mr. Whyte is further requesting that Milwaukee County approve the
23 purchase of the hangar from Mr. Puzia and agree to enter into a new hangar land lease
24 agreement between Milwaukee County and Eric K. Whyte; and
25

26 WHEREAS, Mr. Whyte owns and operates a private aircraft for his personal use;
27 and
28

29 WHEREAS, the Transportation, Public Works and Transit Committee, at its
30 meeting on April 9, 2014, recommended approval (vote) that Milwaukee County
31 approve the sale of the Ronald E. Puzia hangar facilities to Eric K. Whyte, approve the
32 termination of Lease Agreement No. HP-1550, and approve entering into a new hangar
33 land lease agreement between Milwaukee County and Eric K. Whyte under the
34 standard terms and conditions for private hangars of similar class and size at GMIA;
35 now, therefore,
36

37 BE IT RESOLVED, that the Director, Department of Transportation and the
38 County Clerk are hereby authorized to approve the sale of the Ronald E. Puzia hangar
39 facilities to Eric K. Whyte, approve the termination of Lease Agreement No. HP-1550,
40 and approve entering into a new hangar land lease agreement between Milwaukee
41 County and Eric K. Whyte under the standard terms and conditions for private hangars
42 of similar class and size at GMIA, inclusive of the following:
43

- 44 1. The termination of Airport Agreement No. HP-1550 and the terms of a new
45 agreement shall be binding and take effect upon the Date of Sale. The term and
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obligation to pay rent of the new agreement shall commence upon the Date of Sale.

2. The new agreement with Mr. Whyte shall be for an initial term of five (5) years, commencing on the Date of Sale, with one (1) additional renewal option term of five (5) years.

3. Commencing on the Date of Sale, Mr. Whyte agrees to pay Lessor the then-current land rental rate in effect for the approximate 2,550 square feet of land.

4. The rental rate shall be adjusted by Lessor each July 1, based on the percentage increase or decrease in the Consumer Price Index (All Urban Consumers) for the Milwaukee area as published by the U.S. Department of Labor, Bureau of Labor Statistics, or the generally accepted national replacement or successor index, as readjusted to the base month and computed by comparison of the then-current January index with the index of the preceding January.

5. The agreement shall contain the current standard insurance and environmental language for protection of the County as it pertains to hangar and lease agreements.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 3/17/14

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: AIRCRAFT HANGAR SALE FROM RONALD E. PUZIA TO ERIC K. WHYTE

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
(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.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	183	843
	Net Cost	0	0
Capital Improvement Budget	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. ¹ 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.

Land rental for the hangar plot for the first year of the agreement will be approximately \$843.00 per year subject to adjustments based on the percentage increase or decrease in the Consumer Price Index.

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

Authorized Signature _____

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required

¹ 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.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE: March 7, 2014

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

FROM: Brian Dranzik, Director, Department of Transportation

SUBJECT: **AIRPORT AIR SERVICE INCENTIVE PROGRAM (FOLLOW UP) FILE
NO. 13-862**

DIRECTIVE

At the December 4, 2013, meeting, the Transportation, Public Works and Transit Committee requested that the Airport provide information that reflects supportive data and documentation that Air Service Incentives have proven to be effective at other airports, including information on the return on investment for such implementation.

BACKGROUND

The airline industry has experienced substantial change over the last ten years. Airlines have merged and divested and business plans have been altered to accommodate the fluctuating economy. The remaining major airlines have shifted their focus to larger hub airports where their planes can be filled at higher fares. Small and medium hub airports have experienced a reduction in flights and cities served. To fill the void and attract new flights, some airports have initiated an air serve incentive program that mitigates an airline's financial risk of adding new service. Initially, incentive programs were utilized almost exclusively by smaller airports, but in recent years, larger airports have launched them as well. Incentive programs are currently in effect in: Pittsburgh; Portland; Las Vegas; St. Louis; Dallas/Fort Worth; Tampa; Sacramento; Cleveland; Columbus; Boston; Detroit; Baltimore; Memphis, Charleston; Tulsa, Sarasota and the trend will continue to grow.

REPORT

In response to the TPW&T Committee's request, the Airport sought air service incentive program information from other airports, and received responses from four airports. Each airport expressed a requirement that its information be cited only in general terms that would preserve the confidential terms of agreement with air carriers. Results are presented in the attached chart, Airline Incentive Programs implemented at Various United States Airports. It is clear that the air service incentive programs at these airports have contributed to the successful launch of new service. Incentive programs at other airports, however, have not resulted in any, or very limited,

Marina Dimitrijevic, Chairwoman, County Board of Supervisors
Michael Mayo, Sr., Chairman, Transportation, Public Works, and Transit Committee
March 7, 2014
Page 2

additional service.

RECOMMENDATION

This report is for informational purposes.

Prepared by: Pat Rowe, Marketing and Public Relations Manager

Approved by:

Brian Dranzik, Director,
Department of Transportation

C. Barry Bateman
Airport Director

Airline Incentive Programs Implemented at Various United States Airports

Airports Providing Incentives via Incentive Program	Metropolitan Statistical Area (MSA) 2012	Total Passengers 2012	Cities/Routes Acquired through Incentive Program – New Service (or add'l route)	Incentive Dollars Spent	Fee Waiver Values	ROI (Return on Investment) for the airport or community	Number of Years Incentive Program has been offered
City A*	2.4 Million	8 Million	1) 4 Domestic 2) 2 International	Over \$270,000 per market (including landing fee waivers and marketing)	Over \$480,000 in landing fees for markets attained	Varies. About \$20,000 to \$90,000 net incremental revenue during incentive period for each new route. Over \$200,000 net incremental revenue for each year <i>after</i> incentives; includes only airport revenue	6
City B*	2.3 Million	14.4 Million	1) 11 Domestic 2) 1 International	\$25,000-\$100,000 For new domestic markets (Amount spent is at the discretion of the airport based on length of service, market size, market rank and whether there is an existing service on the route.	Landing fees, common use gates, common use ticket counters, apron parking for unserved routes and marketing. Approximately \$420,304 for a year round flight, i.e. Boeing 737-800	Annual revenues to the airport for the year round flight listed in the fee waiver value was projected at \$1,115,549; projection includes terminal concessions revenue, rental cars, parking and Passenger Facility Charges (PFC).	6
City C*	1.8 Million	9.4 Million	1) 6 Domestic 2) 3 International	N/A	Facilities Incentives for 12 months for qualifying airlines; landing fee incentives for 6 months and marketing incentives based on services provided and to be determined by Airport.	N/A	5

Airline Incentive Programs Implemented at Various United States Airports

Airports Providing Incentives via Incentive Program	Metropolitan Statistical Area (MSA) 2012	Total Passengers 2012	Cities/Routes Acquired through Incentive Program – New Service (or add'l route)	Incentive Dollars Spent on each City	Fee Waiver Values	ROI (Return on Investment) for the airport or community	Number of Years Incentive Program has been offered
City D*	3.2 Million	17.3 Million	1) 14 Domestic 2) 3 International	N/A	1.5 Million dollars have been spent on fee waivers and marketing dollars for year one for international route. Other values N/A	N/A	7
Milwaukee	1.6 Million	7.5 Million					

**NOTE: For competitive purposes, the Airports listed above requested that their names be withheld.*

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE: March 11, 2014

TO: Chairperson Michael Mayo Sr., Transportation, Public Works & Transit Committee
Co-Chair Willie Johnson Jr., Finance, Personnel and Audit Committee
Co-Chair David Cullen, Finance, Personnel and Audit Committee

FROM: Brian Dranzik, Director, Department of Transportation

REPORT ON AIRPORT CAPITAL IMPROVEMENT PROJECTS

POLICY

Informational Report

BACKGROUND

Per the adopted 2013 Capital Budget, the Airport Director shall continue to submit a semi-annual report to the Committees on Finance and Audit and Transportation and Public Works on the status of all currently authorized Capital Improvement Projects. In a form pre-approved by the DAS Capital Finance Manager, County Board staff, and Director of Audits, the report shall provide the following information for each authorized Capital Improvement Project:

- Date of initial County Board approval
- Brief description of scope of project
- Estimated completion date
- Expenditures and revenues summary, including reconciliation of each revenue source (i.e., Passenger Facility Charges, Airport Reserve, Bonds, and Miscellaneous Revenue) and the amount of committed funds for each.
- Date, purpose, and amount of any approved appropriation transfers

Attached is the first semi-annual report for 2014, which indicates the expenditure and revenue summaries of the Airport's active Capital Improvement Projects through December, 2013. The capital projects shown are in various stages of development, several of which have reached completion and will be closed out

Michael Mayo, Sr., Chairperson, TPW&T Committee
Willie Johnson, Jr., Co-Chair, Finance, Personnel and Audit Committee
David Cullen, Co-Chair, Finance, Personnel and Audit Committee
Page 2

during 2014. The next report will be submitted in September 2014 for the period ending June 30, 2014.

Prepared by: Karen Freiberg, Airport Accounting Manager

Approved by:

Brian Dranzik, Director
Department of Transportation

C Barry Bateman
Airport Director

Cc: James Martin, Director of Operations, Department of Transportation
Don Tyler, Director, Department of Administrative Services
Pamela Bryant, Capital Finance Manager
Justin Rodriguez, Capital Finance Management Analyst
Janelle Jensen, Committee Clerk, Finance, Personnel and Audit Committee
Jodi Mapp, Committee Clerk, Transportation, Public Works & Transit Committee

ATTACHMENT: Excel spreadsheet summarizing Capital Improvement Projects through December 31, 2013

**GMIA Capital Projects
Summary of Expenditures**

Project #	Project Name	Manager	Proj Approved	Proj Complete	Amounts Per Advantage					Expedition Remaining Commitments Note A	Currently Uncommitted Funds	Future Commitments Per A&E Note B	Net Available		
					Cumulative Budget	Cumulative Expended	Cumulative Unrealized	Currently Encumbered	Available Funds						
ACTIVE GMIA PROJECTS															
WA006	C Concourse, Four Gate Expansion	Ed Baisch	1999	Adopted budget	2012	65,241,519	64,342,664	898,854	0	898,854	0	898,854	0	898,854	
WA042	Baggage Claim Remodeling	Jim Zsebe	2008	Adopted Budget	2015	53,154,000	7,139,194	46,014,806	33,394,645	12,620,168	-2,211,794	14,831,962	14,831,962	0	
WA044	In-line Bag Screening, Phase 1 and 2	Tim Kipp	2002	Adopted Budget	2013	49,273,130	33,969,828	15,303,302	3,907,788	11,395,515	187,291	11,208,223	11,208,223	0	
WA048	D Concourse Improvements	Vijay Mehta	2003	Adopted Budget	2012	19,632,580	16,862,613	2,769,967	0	2,769,967	0	2,769,967	0	2,769,967	
WA061	E Concourse Stem Remodeling & Electrical	Ed Baisch	2004	Adopted Budget	2012	11,030,299	10,713,002	317,297	0	317,297	0	317,297	0	317,297	
WA064	Phase II Mitigation Program	Kim Berry	2009	Budget	2015	55,972,600	35,759,254	20,213,346	5,866,013	14,347,333	-1,447,664	15,794,997	15,794,997	0	
WA072	LJT Runway Crack Repair and Sealcoating	Ed Baisch	2006	Adopted Budget	2014	2,256,270	1,347,953	908,317	195,715	712,602	772	711,830	711,829	1	
WA094	Runway Safety Area Improvements - RSA-Runway 1L, 19R, 7R and	Jim Zsebe	2005	Adopted Budget	2014	74,019,972	71,941,271	2,078,701	410,339	1,668,362	-41,162	1,709,524	1,709,524	0	
WA095	Terminal Cable Tray System	Tim Kipp	2009	transfer	2015	347,000	324,640	22,360	0	22,360	4,125	18,235	4,125	14,110	
WA096	Parking Structure Relighting	Tim Kipp	2009	transfer	2014	1,811,000	1,220,264	590,736	315,669	275,067	274,774	292	0	292	
WA108	HVAC Equipment Replacement	Vijay Mehta	2006	Adopted Budget	2015	6,859,400	6,677,892	181,508	119,134	39,882	-23,475	63,357	32,544	30,813	
WA112	GMIA TAXIWAY R & R3 Reconstruction	Ed Baisch	2012	Adopted Budget	TBD	400,000	0	400,000	0	400,000	2,000	398,000	398,000	0	
WA122	Airfield Pavement Rehabilitation	Tim Kipp	2006	Adopted Budget	2014	6,175,100	6,048,050	127,050	14,323	112,728	0	112,728	6,669	106,059	
WA123	Airfield Safety Improvements	Tim Kipp	2006	Adopted Budget	2014	3,463,000	2,601,503	861,497	932,614	-71,117	125,360	556,721	556,721	0	
WA124	Install Ground Power Units & Preconditioned Air	Ed Baisch	2007	Adopted Budget	2014	2,490,400	1,572,369	918,031	0	918,031	0	918,031	918,031	0	
WA125	Security and Wildlife Perimeter Fence	Anthony Raab	2007	Adopted Budget	2014	1,452,450	1,160,227	292,223	34,882	257,340	10,503	246,837	246,837	0	
WA127	GMIA Terminal Expansion Design Study	Ed Baisch	2007	Adopted Budget	2016	500,000	0	500,000	0	500,000	0	500,000	500,000	0	
WA130	Noise Barrier Study	Kim Berry	2007	Adopted Budget	2014	356,000	72,227	283,773	278,139	5,634	0	5,634	5,634	0	
WA131	Part 150 Ramp Electrification	Ed Baisch	2007	Adopted Budget	TBD	458,000	0	458,000	0	458,000	0	458,000	458,000	0	
WA133	D Hammerhead Restroom Remodel	J. Zsebe	2008	Adopted Budget	2013	2,411,000	1,186,941	1,224,059	0	1,224,059	0	1,224,059	1,224,059	0	
WA135	Runway 1L/19R & 7R/25L Intersection	Ed Baisch	2008	Adopted Budget	2013	13,641,458	10,995,081	2,646,377	0	2,646,377	671	2,645,706	2,405,463	240,243	
WA139	Redundant Main Electrical Feed	Mary Turner	2008	Adopted Budget	2015	8,047,000	1,256,736	6,790,264	6,405,299	384,965	3,566	381,399	381,399	0	
WA141	Admin BLDG Ground Level Build Out GMIA TRAINING FACILITY	Bernie Mielcarek	2008	Adopted Budget	2015	2,904,000	2,525,304	378,696	17,773	360,923	-4,038	364,961	364,961	0	
WA142	LJT Runway 15L - 33R Extension	Tim Kipp	2008	Adopted Budget	2012	538,000	197,246	340,754	0	340,754	21,629	319,125	0	319,125	
WA143	Cargo Ramp 3D Access Security	Andy Tran	2008	Adopted Budget	2013	270,000	204,757	65,243	19,325	45,918	0	45,918	0	45,918	
WA145	Runway Guard Lights	T. Kipp	2008	Transfers	2012	2,992,000	1,107,912	1,884,088	0	1,884,088	0	1,884,088	0	1,884,088	
WA147	Deicing pads at Cargo	Jim Zsebe	2011	Transfers	2014	100,000	15,527	84,473	0	84,473	0	84,473	84,473	0	
WA148	Expand Fleet Building	Anthony Raab	2010	Adopted Budget	2014	3,616,000	535,235	3,080,765	512,009	2,568,757	235	2,568,522	2,568,522	0	
WA149	Snow Equipment Storage Building	Ed Baisch	2010	Adopted Budget	TBD	13,802,000	608,545	12,993,455	1,378	12,992,078	609,922	12,382,156	0	12,382,156	
WA151	Part 150 Noise Monitoring	Kim Berry	2010	Adopted Budget	2015	2,140,000	0	2,140,000	0	2,140,000	0	2,140,000	2,140,000	0	
WA152	Part 150 Vacant land Acquisition	Kim Berry	2010	Adopted Budget	TBD	1,560,000	0	1,560,000	0	1,560,000	0	1,560,000	1,560,000	0	
WA153	Purchase Non-County owned jet bridges	Jim Zsebe	2010	Transfer 2009	2014	10,500,000	3,751,025	6,748,975	0	6,748,975	-1,925,765	8,674,740	9,724,740	-1,050,000	
WA158	GMIA Deicing Pad Design and Construction	Tim Kipp	2013	Adopted Budget	2015	13,200,000	438,276	12,761,724	885,176	11,876,547	-664,729	12,541,276	12,241,276	300,000	
WA160	GMIA Narrow Band Conversion	Terry Blue	2010	Adopted Budget	2013	2,000,000	1,908,500	91,500	0	91,500	0	91,500	0	91,500	
WA161	GMIA TERMINAL ROADWAY SIGNAGE	Bernie Mielcarek	2011	Adopted Budget	2013	3,100,000	751,399	2,348,601	2,348,663	0	0	0	0	0	
WA162	GMIA CESSNA SERVICE APRON RECONSTRUCTION	Jim Zsebe	2012	Adopted Budget	2013	1,116,000	1,667	1,114,333	0	1,114,333	73,333	1,041,000	1,041,000	0	
WA163	GMIA PERIMETER ROAD BRIDGE OVER HOWELL AVENUE	Karl Stave	2012	Adopted Budget	2014	8,200,000	4,294,949	3,905,051	1,905,293	1,999,758	1,999,758	0	0	0	
WA165	Taxiway B Reconstruction	Tim Kipp	2011	Transfer	2012	2,967,000	2,740,863	226,137	0	226,137	0	226,137	0	226,137	
WA166	GMIA Perimeter Road Extension 128th to College Ave.	Paul Montalto	2012	Adopted Budget	2013	1,100,000	685,826	414,174	0	414,174	0	414,174	0	414,174	
WA167	GMIA Terminal Escalator Replacement	Anthony Raab	2012	Adopted Budget	2014	1,250,000	997,493	252,507	159,234	93,274	19,172	74,102	74,102	0	
WA169	LJT Runway and Taxiway Lights	Tim Kipp	2012	Adopted Budget	2013	500,000	174,620	325,380	149,556	175,824	21,485	154,339	154,339	0	
WA172	GMIA terminal Sanitary Sewer Utility Upgrade	Ed Baisch	2012	Adopted Budget	2015	300,000	1,055	298,945	0	298,945	5,977	292,968	0	292,968	
WA173	GMIA Fuel Farm Electrical Service	Mary Turner	2012	Adopted Budget	2014	1,100,000	193,240	906,760	577,401	329,358	-5,259	334,617	334,617	0	
WA175	GMIA Concourse C Checkpoint	Bernie Mielcarek	2011	Transfer	2013	472,000	440,860	31,140	0	31,140	-6,249	37,389	36,513	876	
WA176	GMIA Airport Master Plan-AGIS/eALP	Ed Baisch	2012	Adopted Budget	2014	500,000	6,758	493,242	221,878	271,364	5,242	266,122	266,122	0	
WA177	GMIA Parking Structure Repairs	Julie Bastin	2012	Adopted Budget	2014	959,000	9,087	949,913	0	949,913	98,409	851,504	851,504	0	
WA178	GMIA Parking Garage	Julie Bastin	2011	Adopted Budget	2014	1,030,000	289,358	740,642	628,807	111,835	27,121	84,714	84,714	0	
WA182	GMIA SNOW MELTER	Jim Zsebe	2013	Transfer	2014	1,290,265	283,299	1,006,966	852,377	154,589	0	154,589	154,589	0	
WA184	GMIA -ADS-B Squitter Transponders	Terry Blue	2013	Transfer	2014	562,500	0	562,500	533,713	28,787	-19,004	47,791	47,291	500	
Data shown is as of end of December 31, 2013						Grand total GMIA Projects	462,745,163	301,113,615	161,631,548	60,687,141	100,921,981	(2,857,795)	104,632,974	83,122,779	21,410,195

Note A Defined as total commitments per Expedition, less expenditures to date and less encumbrances
In other words, planned future expenditures not yet recognized in Advantage.

Note B Estimates by A&E of future commitments, not yet in either Advantage or Expedition.
These are being picked up as uncommitted funds as per Project Listing report

**GMIA Capital Projects
Summary of Revenue Funding by Source**

Project #	Project Name	Manager	Proj Approved	Proj Complete	GARB	PFC BACKED	INTEREST	STATE	FEDERAL	PFC	CAPITAL	TOTAL	Approved	Fund	Number of		
					BONDS	BONDS	ON BONDS	GRANT	GRANT	REVENUE	FUNDING	by way of	Transfer	Fund			
					A/C 4907	A/C 4907	A/C 1841	A/C 2299	A/C 2699	A/C 4901			Capital Budget	Revisions	Transfers		
ACTIVE GMIA PROJECTS																	
WA006	C Concourse, Four Gate Expansion	Ed Baisch	1999	Adopted budget	2012		59,586,366	1,079,000			3,992,853	65,241,519	33,666,513	31,575,006	15		
WA042	Baggage Claim Remodeling	Jim Zsebe	2006	Adopted Budget	2015		41,022,250			12,131,750		53,154,000	53,154,000				
WA044	In-line Bag Screening, Phase 1 and 2	Tim Kipp	2002	Adopted Budget	2013		26,236,300	289,500	393,312	17,289,018	5,065,000	49,273,130	49,273,130		1		
WA048	D Concourse Improvements	Vijay Mehta	2003	Adopted Budget	2012		10,791,950	318,000			8,522,630	19,632,580	10,084,950	9,547,630	6		
WA061	E Concourse Stem Remodeling & Electrical	Ed Baisch	2004	Adopted Budget	2012	9,455,299	17,000	4,000			350,000	11,030,299	9,455,299	1,575,000	2		
WA064	Phase II Mitigation Program	Kim Berry	2009	Budget	2015				5,597,260	44,778,080	5,597,260	55,972,600	45,697,600	10,275,000	1		
WA072	LJT Runway Crack Repair and Sealcoating	Ed Baisch	2006	Adopted Budget	2014				59,525	2,135,220		61,525	2,256,270	1,979,270	3		
WA094	Runway Safety Area Improvements - RSA-Runway 1L, 19R, 7R	Jim Zsebe	2005	Adopted Budget	2014		10,711,184		8,624,434	53,736,604	947,750	74,019,972	58,316,831	15,703,141	3		
WA095	Terminal Cable Tray System	Tim Kipp	2009	transfer	2015						347,000	347,000	347,000		1		
WA096	Parking Structure Relighting	Tim Kipp	2009	transfer	2014		1,616,000				195,000	1,811,000	1,616,000	195,000	1		
WA108	HVAC Equipment Replacement	Vijay Mehta	2006	Adopted Budget	2015	6,412,700		46,700			400,000	6,859,400	5,933,150	926,250	1		
WA112	GMIA TAXIWAY R & R3 Reconstruction	Ed Baisch	2012	Adopted Budget	TBD				50,000	300,000	50,000	400,000	400,000				
WA122	Airfield Pavement Rehabilitation	Tim Kipp	2006	Adopted Budget	2014				677,625	4,065,750	941,725	490,000	6,175,100	4,325,100	1,850,000		
WA123	Airfield Safety Improvements	Tim Kipp	2006	Adopted Budget	2014				432,375	2,594,250	308,125	128,250	3,463,000	2,320,000	1,143,000		
WA124	Install Ground Power Units & Preconditioned Air	Ed Baisch	2007	Adopted Budget	2014				278,625	1,923,750	288,025	2,490,400	1,269,400	1,221,000	1		
WA125	Security and Wildlife Perimeter Fence	Anthony Raab	2007	Adopted Budget	2014				181,625	1,089,750	181,075	1,452,450	866,450	586,000	2		
WA127	GMIA Terminal Expansion Design Study	Ed Baisch	2007	Adopted Budget	2016						500,000	500,000	500,000				
WA130	Noise Barrier Study	Kim Berry	2007	Adopted Budget	2014				35,510	284,080	36,410	356,000	180,900	175,100	1		
WA131	Part 150: Ramp Electrification	Ed Baisch	2007	Adopted Budget	TBD				50,562	357,375	50,063	458,000	458,000				
WA133	D Hammerhead Restroom Remodel	J. Zsebe	2008	Adopted Budget	2013	2,190,000					221,000	2,411,000	221,000	2,190,000	1		
WA135	Runway 1L/19R & 7R/25L Intersection	Ed Baisch	2008	Adopted Budget	2013				1,709,045	10,244,184	1,688,229	13,641,458	8,750,000	4,891,458	3		
WA139	Redundant Main Electrical Feed	Mary Turner	2008	Adopted Budget	2015	3,702,500	3,702,500				642,000	8,047,000	8,047,000				
WA141	Admin BLDG Ground Level Build Out GMIA TRAINING FACILITY	Bernie Mielcarek	2008	Adopted Budget	2015	2,415,000					489,000	2,904,000	2,904,000				
WA142	LJT Runway 15L - 33R Extension	Tim Kipp	2008	Adopted Budget	2012				13,450	511,100		13,450	538,000	538,000			
WA143	Cargo Ramp 3D Access Security	Andy Tran	2008	Adopted Budget	2013			33,750	202,500	33,750		270,000	270,000				
WA145	Runway Guard Lights	T. Kipp	2008	Transfers	2012	1,648,000			168,000	1,008,000	168,000	2,992,000		2,992,000	2		
WA147	Deicing pads at Cargo	Jim Zsebe	2011	Transfers	2014						100,000	100,000		100,000	1		
WA148	Expand Fleet Building	Anthony Raab	2010	Adopted Budget	2014						3,616,000	3,616,000	3,366,000	250,000	1		
WA149	Snow Equipment Storage Building	Ed Baisch	2010	Adopted Budget	TBD		13,272,000				330,000	13,602,000	13,272,000	330,000	1		
WA151	Part 150 Noise Monitoring	Kim Berry	2013	Adopted Budget	2015				214,000	1,712,000	214,000	2,140,000	1,850,000	290,000	1		
WA152	Part 150 Vacant land Acquisition	Kim Berry	2009	Adopted Budget	TBD				156,000	1,248,000	156,000	1,560,000	1,040,000	520,000	1		
WA153	Purchase Non-County owned jet bridges	Jim Zsebe	2012	Adopted Budget	2014	3,000,000	2,000,000				5,500,000	10,500,000	6,550,000	3,950,000	2		
WA158	GMIA Deicing Pad Design and Construction	Tim Kipp	2013	Adopted Budget	2015				5,197,500	2,805,000	5,197,500	13,200,000	13,200,000				
WA160	GMIA Narrow Band Conversion	Terry Blue	2011	Adopted Budget	2013	2,000,000						2,000,000	2,000,000		1		
WA161	GMIA TERMINAL ROADWAY SIGNAGE	Bernie Mielcarek	2011	Adopted Budget	2013						2,750,000	350,000	3,100,000	3,100,000			
WA162	GMIA CESSNA SERVICE APRON RECONSTRUCTION	Jim Zsebe	2012	Adopted Budget	2013				139,500	837,000	11,875	1,116,000	1,116,000				
WA163	GMIA PERIMETER ROAD BRIDGE OVER HOWELL AVENUE	Karl Stave	2012	Adopted Budget	2014				1,025,000	6,150,000	1,025,000	8,200,000	3,500,000	4,700,000	2		
WA165	Taxiway B Reconstruction	Tim Kipp	2011	Transfer	2012				2,373,600			593,400	2,967,000	2,140,000	827,000	2	
WA166	GMIA Perimeter Road Extension 128th to College Ave.	Paul Montalto	2012	Adopted Budget	2013				137,500	825,000	137,500	1,100,000	1,100,000				
WA167	GMIA Terminal Escalator Replacement	Anthony Raab	2012	Adopted Budget	2014						1,250,000	1,250,000	1,250,000				
WA169	LJT Runway and Taxiway Lights	Tim Kipp	2012	Adopted Budget	2013				12,500	475,000		500,000	500,000				
WA172	GMIA terminal Sanitary Sewer Utility Upgrade	Ed Baisch	2012	Adopted Budget	2015						300,000	300,000	300,000				
WA173	GMIA Fuel Farm Electrical Service	Mary Turner	2012	Adopted Budget	2014						1,100,000	1,100,000	1,100,000				
WA175	GMIA Concourse C Checkpoint	Bernie Mielcarek	2011	Transfer	2013						472,000	472,000		472,000	1		
WA176	GMIA Airport Master Plan-AGIS/eALP	Ed Baisch	2012	Adopted Budget	2014				62,500	375,000	62,500	500,000	500,000				
WA177	GMIA Parking Structure Repairs	Julie Bastin	2012	Adopted Budget	2014	959,000						959,000	959,000				
WA178	GMIA Parking Garage	Julie Bastin	2012	Transfer	2014						1,030,000	1,030,000		1,030,000	1		
WA182	GMIA SNOW MELTER	Jim Zsebe	2013	Transfer	2014					1,290,265		1,290,265		1,290,265	1		
WA184	GMIA -ADS-B Squitter Transponders	Terry Blue	2013	Transfer	2014				70,313	421,875	70,312	562,500	562,500				
Data shown is as of end of December 31, 2013					Grand total GMIA Projects		31,782,499	168,955,650	1,770,950	28,262,081	157,598,706	63,670,663	8,368,750	462,745,163	361,166,653	101,578,510	64

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE: March 14, 2014

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

FROM: Brian Dranzik, Director, Department of Transportation

SUBJECT: DEVELOPMENT STRATEGY FOR MKE REGIONAL BUSINESS PARK

POLICY

Informational Report

BACKGROUND

Milwaukee County acquired the former 440th Air Force Reserve Base through the federal base closure process in July 2010. The site is 102 acres and originally contained 93 inventoried buildings. Since its acquisition, General Mitchell International Airport (GMIA) has operated the property as a business park. In 2012 the name of the property was changed to the MKE Regional Business Park (“Business Park”). Although GMIA has had some success in marketing and operating the Business Park, the property continues to operate at a deficit.

In fall 2013 the County retained a real estate development consultant – Jones, Lang, LaSalle (“JLL”) – to provide advice regarding real estate development strategies to further the marketing and development of the Business Park. JLL produced a market analysis of revenue-producing commercial development and lease opportunities for the property as well as for marketing the property to potential tenants and developers. The more general purpose of retaining JLL was for Airport Staff to determine whether there existed any marketing or development opportunities that had not previously been considered.

The MKE Regional Business Park

The Business Park is a relatively square-shaped site, approximately 102 acres in size and comprising 60 buildings totaling in excess of 400,000 square feet. These figures exclude roadways and parking areas, support buildings, and utilities. Building ages vary from the 1950s to the early 2000s. There are approximately 23 acres of aircraft parking apron with direct runway access to the GMIA airfield. The site has access via East College Avenue to the south and limited access via South Howell Avenue to the east. There is also an extension of the property to the north along the Airport boundary that contains a fire suppression training area for the fire department.

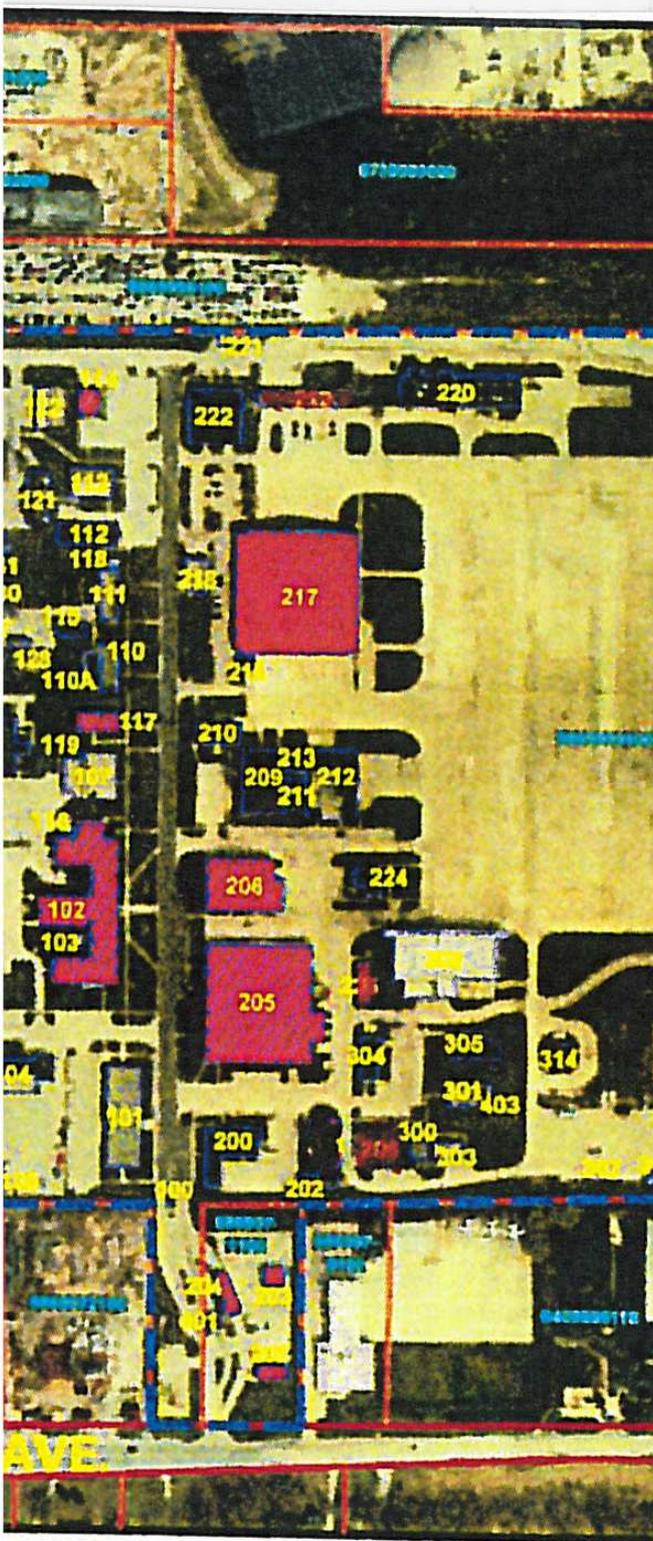
Business Park Operations

Of the existing sixty (60) buildings on the site, thirteen (13) are leased to businesses, sixty-nine percent (69%) of which have some relationship with aeronautical operations. Nineteen of the buildings are currently used for various airport-related operations. Current tenants of the park are:

1. Skywest Airlines, Inc.
2. ACC Holdings
3. Tax AirFreight, Inc.
4. Hunger Task Force
5. CrossFit Fire Breathers
6. Custom Limo & Custom Limo Classic
7. Magic Carpet (Travel Agency)
8. HSS (Security offices)

The chart on the following page (Fig. 1) identifies the various buildings and their current uses.

Fig. 1

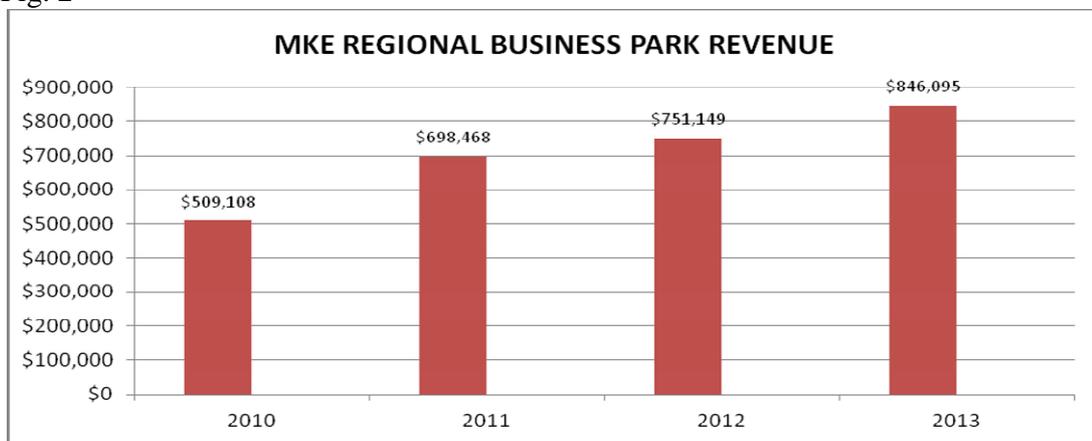


Building	Tenant
217	Skywest Airlines, Inc.
102	ACC Holdings
208	ACC Holdings
114	ACC Holdings
117	Tax AirFreight
205	Hunger Task Force
206	CrossFit Fire Breathers
204	Custom Limo Classic
207	Magic Carpet-Custom Limo
203	HSS
225	Custom Limo
219	HSS

Currently leased buildings are in red.

The remaining vacant buildings are suitable for various uses allowed under the current City of Milwaukee light industrial zoning (ILI) category which allows for a certain flexibility beyond just industrial facilities in future development pursuits - including commercial services, education and medical-oriented use. Despite various marketing efforts, however, these buildings remain vacant and result in an ongoing operational shortfall. This is also due, in part, to the current economy and poor visibility to major arterial streets within a campus-like setting with limited exposure to the surrounding neighborhood because of its former restricted use by a single tenant occupant, the U.S. Air Force Reserve.

Fig. 2



The JLL report concluded that there exists only limited demand for Class A office space in the GMIA submarket and an equally limited demand for office space in an industrial setting such as the Business Park. The report also found limited demand for retail development because the Business Park has such limited frontage. The opportunity for a hotel development is similarly remote due to the lack of frontage and the oversupply of hotel rooms in the area. The report concluded, however, that the best prospects for increasing revenue at the Business Park lay in leasing additional vacant space and redevelopment of the site – such as industrial, intermodal, or cargo facilities.¹

Based on the foregoing market analysis, JLL advised that the County continue its effort to market the Property as a business park and attempt to attract a developer for 12.4 acres of the site. See the shaded area on Fig. 3 and Fig. 4.

GMIA Action Following JLL Report

The JLL report concluded that the Business Park was unlikely to attract tenants seeking to rent office and cargo space because, in ways particular to those markets, both are depressed in the current economy. Demand for air cargo, for example, is at historically low levels and expansion of that market is not expected for the foreseeable future. There is also little demand for office space in the geographical area of the Business Park. While warehousing activity coupled with an air cargo operation would be an ideal match, the Business Park is not only hindered by a depressed air cargo market but also the shortcomings of existing Business Park structures for such

¹ Air cargo has not yet shown signs of significant improvement and industry predictions expect the continuation of this trend in relatively flat growth in air cargo Revenue per Ton Mile (RTM) to continue until 2023. FAA Aerospace Forecast Fiscal Years 2013-2033 at 54-56.

operations. Finally, the weakness of the air cargo market is not likely to support new construction. Similarly, retail and hotel development are difficult due to the Business Park's lack of frontage and visibility on either Howell or College Avenues as well as the existing developments in the area. The only viable recommendation made by the JLL report is the prospect of entering into an agreement with a developer for redevelopment of some of the land contained on the site. The goal of such a strategy is to retain as much of the existing Business Park tenant base as possible while using a redevelopment agreement to close the current operating deficit and simultaneously continuing to market the Business Park to prospective tenants. Accordingly, GMIA staff have pursued two strategies: 1) issuing an RFQ for a master developer for 12.4 acres of land at the site [the shaded area indicated on Fig. 3 and Fig. 4] and 2) retaining a consultant to advise the County and pursue aeronautically related firms with an interest in locating at or near GMIA (preferably at the Business Park).

The January 2014 RFQ

The County issued an RFQ on February 4, 2014 seeking a master developer for the Property to provide a coordinated and aesthetically designed development on the Property. The RFQ anticipates a phased development plan of no more than three (3) years duration. The County's objective in issuing this RFQ is to identify qualified development firms to compete for long-term land leases for development of the Property. (See location maps, Fig. 3 and Fig. 4.)

Proposers may decide to make use of the twenty-two (22) existing buildings on the site and to assume the leases held by existing tenants or to demolish the buildings as part of their proposal. Although the demolition of any buildings on the Property will be the responsibility of the Proposer, the removal of existing tenants would be the responsibility of the County. Additional land held by private parties lies to the west of the Property that is the subject of this RFQ. The Proposer may consider the acquisition of the privately held land as part of a development package. Statements of Qualification are due April 24, 2014. A Pre-Submittal Conference is planned for April 15, 2014.

Fig. 3



Fig. 4



The Consultant

GMIA has also entered into a contract with Explorer Solutions, LLC to:

- a) Provide targeted information for developing a strategic positioning niche market for GMIA;
- b) Making use of its international network of contacts and in-depth research to identify potential validated niche projects matching the strengths of GMIA and the Greater Milwaukee region;
- c) Identify and present three niche projects, their objectives, assets, and added value activities to GMIA;
- d) Perform an initial validation of the selected projects with aerospace, aviation, and defense industry leaders at state, local, national, and international levels; and
- e) If the feedback and comments from the initial validation phase for the selected niche projects [described in d) above] do not produce positive results, Contractor shall proceed to validate additional choices.

Conclusion

As a result of the closure of the former 440th ARS, now known as Milwaukee County's MKE Regional Business Park, Milwaukee County inherited 102 acres with 93 buildings. GMIA's plan for the Park was to pursue leases with various users through leasing of existing structures or development of vacant lands. The JLL report confirms that this plan is still the most viable alternative for the best use of the Business Park.

Prepared by: Ted Torcivia, Airport Business Manager, Real Estate
Tim Karaskiewicz, Principal Assistant Corporation Counsel

Approved by:

Brian Dranzik, Director,
Department of Transportation

C. Barry Bateman
Airport Director



Community Business Development Partners
MILWAUKEE COUNTY

RICK NORRIS, PE • Director, DBE Liaison Officer, ACDBE Liaison Officer

INTER-OFFICE COMMUNICATION

DATE: March 17, 2014

TO: Supervisor Patricia Jursik, Chair, Economic & Community Development Committee
 Supervisor Michael Mayo, Sr., Chair, Transportation, Public Works & Transit Committee

FROM: Rick Norris, PE, Director, Community Business Development Partners

SUBJECT: DBE WAIVER REPORT FOR FEBRUARY OF 2014

DIRECTIVE

At the request of the Committee on Economic and Community Development, the Community Business Development Partners Department (CBDP) provides a monthly update on the Disadvantaged Business Enterprise (DBE) utilization waivers requested by, and granted to, Milwaukee County departments/divisions.

BACKGROUND

CBDP is responsible for designing, implementing, monitoring and enforcing Milwaukee County's DBE Program in order to maintain compliance with Federal Regulations and Milwaukee County Ordinances. Implementation of the Program includes assignment of participation goals on, both, Federal and County funded contracts, as well as monitoring and enforcing compliance of these contracts. Participation goals may only be established on contracts where opportunities exist for ready, willing and able certified firms to perform commercially useful functions related to the satisfaction of those contracts.

In 1999, the United States Department of Transportation (USDOT) implemented DBE Program rules with seven (7) key objectives directed at creating a level playing field on which certified firms could compete fairly for USDOT-assisted contracts. This legislation, 49 CFR Parts 23 and 26, requires all recipients of USDOT funds to establish and maintain a DBE program that, not only, complies with the intent and language of the legislation, but that has also been reviewed and approved by USDOT. As a result of public and private stakeholder input, Milwaukee County determined and approved, by action of the County Executive and the full County Board, to establish and maintain a program based upon the Federal DBE Program rules and standards for all of its contracts. This action designed to ensure the same level of commitment and consistency in approach to the facilitation of small business involvement when and where appropriate has been enacted in Chapter 42 of the Milwaukee County Code of General Ordinances.

Milwaukee County is required to provide and establish contract opportunities for certified firms on its projects based upon the number of ready, willing and able firms certified to perform within the scope(s) of each of these projects. Only firms certified through Wisconsin's Unified Certification Program (UCP), a consortium of over 24 municipalities and agencies throughout the State, count as ready, willing and able firms for this purpose. Four of the UCP members serve as certifying partners for the consortium, Milwaukee County, WisDOT, Dane County, and the City of Madison. Milwaukee County has the responsibility of verifying and maintaining the certification status of 355 of the 845 currently certified firms throughout the State, while processing all new applications for DBE certification.

WAIVER REQUESTS

When CBDP receives a waiver request from a department/division, staff thoroughly reviews it and available supporting documentation before rendering a determination. The Interim Director may require staff to gather more comprehensive information or to provide more detailed clarification regarding any identified issues prior to issuing a determination.

WAIVER REPORT SUMMARY

The figures below include Professional & Management Service and Capital Improvement/Maintenance contracts awarded during February of 2014. This report does not include contracts awarded by the Procurement Division of the Department of Administrative Services processes under Chapter 32. Please see the attachment for waivers requested as broken out by owner department, contractor/consultant awarded, scope of services rendered, total contract amounts, and reason for approval.

Total Contracted Dollars for Period	\$ 11,160,536.00
Total Contracted Dollars w/o DBE Participation	\$ 4,729,214.80
Percentage of Contracts w/o DBE Participation	42.4%
Total Contracted Dollars w/ Waiver Approval	\$ 4,724,214.80
Percentage of Contracts w/ Waiver Approval	42.3%
Total Contracted Dollars w/o Waiver Approval	\$ 0.00
Percentage of Contracts w/o Waiver Approval	0.0%

It is also important to note that the Milwaukee County Code of General Ordinances exempts various contracts from DBE participation consideration review for services such as those used for the purpose of securing credit rating services related to debt issuance and administration. These exemptions appear as Chapter 56.30(2)(a), and 56.30(10)(a).

Total Contracted Dollars for Period	\$ 11,160,536.00
Total Exempted Contract Dollars	\$ 5,000.00
Percentage of Exempted Contracts for Period	0.0%

RECOMMENDATION

CBDP prepared this informational report, and recommends that it be received and filed, as such.

Approved by:



Rick Norris, PE
Director, CBDP

CC: Chris Abele, Milwaukee County Executive

Milwaukee County Community Business Development Partners Department (CBDP) DBE Waiver Report February 2014

DEPARTMENT	CONSULTANT/CONTRACTOR	SCOPE OF SERVICES	CONTRACT AMOUNT	APPROVAL REASON
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Approved Waivers ¹

Milwaukee County Zoo	Zoological Gardens	Parking plus memberships	2,162,426.70	
County Funded State Court Service	Legal Aid Society	To provide legal representation for guardian ad litem	1,844,000.00	Legal Services
Milwaukee County Zoo	Oceans of Fun, Inc.	Sea Lion show	160,000.00	Specialized Service
County Funded State Court Service	State of Wisconsin	To continue the operation of the Legal Resource Center	139,829.00	Specialized Service
MCSO	ACL Services, Inc.	Pre and post employment alcohol and drug testing	83,159.10	Specialized Service
Dept. on Aging	Project Focal Point, Inc.	Programs in Minority Senior Centers	60,000.00	Specialized Service
DOT-GMIA	Anderson & Kreiger, LLP	Professional service for work relating to fuel consortium matters	50,000.00	Specialized Service
DOT-GMIA	Jones Lang LaSalle	Real estate advisory service to MC for a market study on GMIA	45,000.00	Specialized Service
DAS Office For Persons With Disabilities	Various Interpreters	Sign language interpreter services	38,000.00	Specialized Services
Dept. on Aging	Asian American Community Center, Inc.	Services to Asian American Elderly	37,500.00	Specialized Service
County Funded State Court Service	IMPACT Planning Council	Substance abuse treatment program for women	35,690.00	Specialized Service
County Funded State Court Service	State of WI State Law Library	To order, receive, catalog and set up each judge and central resources library	35,000.00	Specialized Service
County Funded State Court Service	DNA Diagnostics Center, Inc.	Provide lab services to Children's Court Center	15,000.00	Specialized Service
DOT - Airports	James G Otto Architect	GMIA - South Maintenance Office Remodel	8,500.00	Annual Consultant Utilization
District Attorney	Anthony M. Jurek, Ph.D	Conduct a forensic evaluation	4,000.00	Specialized Service
DOT-GMIA	Smith Amundsen, LLC	To assist with the analysis of specialized risk management and insurance issues	3,000.00	Specialized Service
County Funded State Court Service	META House	To facilitate a voluntary process group for the participants of the Family Drug Treatment Court	2,810.00	Specialized Service
Parks	CTM Group, Inc.	Penny Press Vending Machine	500.00	Under \$2,000.00

Contracts Issued Without Review ²

None

Exempted Contracts ³

Comptroller	U.S. Bank	US Bank administration fees for the 2003A, 2007A, 2009A, 2006A&B, 2005A&B, airport bonds	5,000.00	
Total Contract \$ Amount for Period ⁴			\$11,160,536.00	
Total Contract \$ Amount w/o DBE Participation for Period			4,729,214.80	
Percentage w/o DBE Participation			42.4%	
Total Approved Waiver \$ Amount			\$4,724,214.80	
Percentage Waived			42.3%	
Total Unapproved Waiver \$ Amount			0.00	
Percentage w/o Waiver Approval			0.0%	
Total Exempted \$ Amount			5,000.00	
Percentage Exempted			0.0%	

¹ Waivers approved by CBDP; within guidelines of Code of General Ordinances

² Contracts issued by Departments in violation of the Code of General Ordinances;
CBDP is made aware of these projects when Accounts Payable forwards new contract information

³ These contracts are exempted from Disadvantaged Business Enterprise participation review within the guidelines of Code of General Ordinance Chapter 56.30(2)(a) such as those used for the purpose of securing credit rating services related to debt issuance and administration

⁴ Total does not include Procurement Division Figures



Community Business Development Partners
MILWAUKEE COUNTY

Rick Norris, PE, Director, DBE Liaison Officer, ACDBE Liaison Officer

COUNTY OF MILWAUKEE
 INTEROFFICE COMMUNICATION

Date: March 28, 2014

To: Supervisor Patricia Jursik, Chair, Economic & Community Development Committee
 Supervisor Michael Mayo, Sr., Chair, Transportation, Public Works & Transit Committee

From: Rick Norris, PE, Director, Community Business Development Partners (CBDP)

Subject: Update on Micro Loan Program

Background:

The Committee on Economic and Community Development, at its March 10, 2014 meeting, considered File No. 14-136 (update on CBDP outreach including the Microloan Fund, Revolving Loan Fund and educational seminars). As reported at the committee the Microloan Program will be managed and serviced by three primary providers:

1. **Processing, Approvals and Administrative Services.** CBDP will be taking on the primary responsibilities related to the processing, approval and servicing of the loans;
2. **Underwriting and Analysis.** Lincoln Opportunity Fund, LLC will perform the underwriting analysis;
3. **Custodial Services.** Microloan funds will be deposited and held at Tri-City National Bank Corporation, a wholly owned banking subsidiary of Tri-City Bankshares, Inc. a single bank holding company headquartered in Oak Creek, WI-based financial institution.

This approach allows us to get the program underway in the most efficient and economical way for those DBE firms benefiting from the program.

As a follow up to the March report, Supervisor Mayo, Sr., requested that CBDP ask the Risk Management Division to examine this program.

Update:

The CBDP and Risk have had an initial meeting and will continue to identify best practices. CBDP will also be meeting with Corporation Counsel, the Comptroller's Office and Audit to receive input regarding the procedures and process of the Micro Loan Program. Additionally, in anticipation of the mid-April early May rollout, CBDP met with various organizations that perform loan application services to get an idea of how the process works. Our findings revealed that many of these organizations use a software program called "Down Home Loan Manager" to service the loans. Down Home Loan Manager is an industry standard software package that performs all the essential financial reporting needed to service loans.

It is anticipated that CBDP will service the loans using the Down Home Loan Manager software. The Applicant Review Committee is comprised of a three person panel from the following DAS divisions: CBDP, Risk Management and IMSD

Approved by:



Rick Norris, PE
Director, CBDP

cc: Chris Abele, County Executive
Amber Moreen, Chief of Staff, County Executive
Don Tyler, Director of Administrative Services
Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors
Amy Pechacek, Director, Risk Management
Raisa Koltun, Director of Legislative Affairs, Co. Exec's Ofc
Josh Fudge, Director, PSB
Chris Lindberg, Director of IMSD

COUNTY OF MILWAUKEE
INTER-OFFICE COMMUNICATION

DATE: February 10, 2014

TO: Supervisor Dimitrijevic, County Board Chairwoman

FROM: Gary Waszak, Director, Facilities Maintenance Section, DAS-FM
Greg High, Director, AE&ES Section, DAS-FM

SUBJECT: **2015 – 2019 Capital Improvement Program Informational Report - Standing Committee / Capital Improvement Committee**

Milwaukee County Ordinance 36.04 requires all Departments to submit five-year capital improvement program (Program) requests to their respective standing committees. Standing committees shall then submit Programs along with recommendations to the Capital Improvements Committee.

Pursuant to this Ordinance, the Facilities Management Division, Department of Administrative Services has preliminarily evaluated its anticipated maintenance and facility needs for capital years 2015-2019. Based on this initial review, the attached includes the Department's outstanding capital needs, listed in priority order.

The capital needs for Facilities Management Division are divided into 2 categories:

1. County Courthouse Complex Buildings and Infrastructure (**WC & WS** capital coding) and County Grounds Buildings and Infrastructure (**WG & WO** capital coding)
2. County-wide Environmental Infrastructure (**WV** capital coding)

Gary Waszak, Director,
Facilities Maintenance Section, DAS-FM

Greg High, Director,
AE&ES Section, DAS-FM

Attachments: 2015–2019 Five Year Capital Improvements Plan

Cc: Chris Abele, County Executive
Amber Moreen, Chief of Staff, County Executive's Office
Kelly Bablitch, Chief of Staff, County Board
Michael Mayo, Sr., Chair, Transportation, Public Works, and Transit Committee
Josh Fudge, Fiscal & Budget Director, DAS
Vince Masterson, Fiscal & Strategic Asset Coordinator, DAS
Pamela Bryant, Capital Finance Manager, Comptroller's Office
Justin Rodriguez, Capital Finance Analyst, Comptroller's Office

- Step 1 Open 2013 Adopted 5 Year Plan. This represents what is currently in the County's Budget System. The 5 Year CIP being created for the CIC process will not be inputted into BRASS at this time, but may be done later in the budget process.
- Step 2 Print a copy of 5 year plan and Identify the projects for your area. For some areas like Airport and Transit, this is easy since the 5 year CIP is separated by area. For some areas like Fleet, IMSD, and the Cultural Institutions it is more difficult since projects are not always grouped together. As a general rule these areas are included in the "WO" section Other Projects.
- Step 3 List all current existing projects that appear on the 5 year plan. Include a brief description in the last column of the template.
- Step 4 Modify template to reflect any additions, subtractions, or changes. Also, include the project ranks by year.

For any questions regarding the 5 year plan template contact Pamela Bryant (x4396) or Justin Rodriguez (x4170)

Definitions

- Rank Rank projects from 1 to last number **by year**. For example, you will have one number 1 for 2014, one for 2015, one for 2016, etc.
- Project Number Use the BRASS Project Number If there is one currently assigned. If one is not assigned, please put "New" in the Project Number field.
- Reimbursement Revenue Indicate the total amount of non-county revenue that is estimated for this year of the project.
- County Financing The total amount of County revenues (bonds, cash, levy, etc.) that will be used to finance the project.

Department Name Facilities Management Division, DAS
2015 Courthouse Complex/ County Grounds/Coggs

Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	NEW	Courthouse Elevator Renovation Ph. 1	\$180,000		\$180,000	Critical repairs
2	WC07401	CJF Cooling Tower	\$438,000		\$438,000	
3	NEW	Safety Building Roof Add'l Repairs	\$400,000		\$400,000	Additional/continued repairs
4	WC05901	CH Complex Electrical Upgrade	\$415,800		\$415,800	
5	NEW	Courthouse Penthouse Masonry	\$600,000		\$600,000	Safety
6	WC02701	Courthouse Light Court Windows	\$336,000		\$336,000	Ongoing Replacement
7	NEW	Courthouse Exterior Duct Repairs	\$100,000		\$100,000	HVAC duct damaged in place
8	WC09501	Courthouse/City Campus Masonry	\$210,000		\$210,000	Safety
9	NEW	Courthouse Tuckpointing	\$140,000		\$140,000	
10	WS032201	DHHS HVAC System Retrofits - Phase 2	\$2,820,000		\$2,820,000	Final phase of HVAC improvements
11	WC06201	CJF Roof Replacement	\$1,882,000		\$1,882,000	
12	WC06601	Safety Building Chiller Replace	\$144,000		\$144,000	
13	NEW	Vel Phillips Nat. Gas Generator	\$200,000		\$200,000	Conv. to gas, current temporary fix
14	WC03001	Bullpen Cameras & Courtroom	\$469,000		\$469,000	
Total			\$8,334,800	\$0	\$8,334,800	

Department Name Facilities Management Division, DAS
 2016 Courthouse Complex/ County Grounds/Coggs

Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description
1	NEW	Courthouse Elevator Renovation Ph. 2	\$180,000		\$180,000	Critical repairs
2	NEW	Gr. N. Ave Pr. Reducing Valve	\$100,000		\$100,000	City of Milw higher Pressures
3	NEW	Gr. Water Syst. PLC Replacement	\$1,500,000		\$1,500,000	Water System critical update
4	WC01401	Courthouse HVAC Control System Repl.	\$200,000		\$200,000	
5	NEW	Courthouse Booster Pump Repl.	\$100,000		\$100,000	
6	NEW	Safety Bldg. Fire Pump	\$100,000		\$100,000	
7	WC02701	Courthouse Light Court Windows	\$336,000		\$336,000	
8	NEW	Courthouse Complex fire Protection	\$250,000		\$250,000	Planning/Feasibility
9	NEW	Courthouse Exterior Door Replacement	\$300,000		\$300,000	
10	NEW	Grounds Pump House Generator	\$275,000		\$275,000	Back up power to Water System
11	NEW	Vel Phillips Courts Sound Syst.	\$125,000		\$125,000	Failing obsolete systems
12	WS05601	Coggs SecurityCamera System Upgrade	\$1,227,339		\$1,227,339	
13	WC08301	Clerk of Court Storage floor	\$42,000		\$42,000	
14	WC05701	Courtroom Bullet Resist. Wall	\$343,200		\$343,200	
15	WC08401	Clerk of Court Record Room ight	\$90,200		\$90,200	
16	NEW	Research Park Card Access	\$69,000		\$69,000	Failing obsolete system
17	WC05201	Jury Management PA & AV	\$113,400		\$113,400	
Total			\$5,351,139	\$0	\$5,351,139	

Department Name Facilities Management Division, DAS
2017 Courthouse Complex/ County Grounds/Coggs

Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description
1	NEW	Grounds Street Lighting Upgrade	\$140,000		\$140,000	Safety/maintenance
2	WC01401	Courthouse HVAC System	\$1,165,000		\$1,165,000	
3	WC06401	Medical Examiner HVAC	\$400,000		\$400,000	
4	NEW	Courthouse Cooling Tower Repl.	\$200,000		\$200,000	
5	WC02701	Courthouse LightCourt	\$336,000		\$336,000	
6	NEW	Safety Bldg. HVAC Ph. 1	\$250,000		\$250,000	
7	NEW	Safety Bldg. Windows Replace Ph. 1	\$350,000		\$350,000	Single pane original windows
8	NEW	CJF Fire Alarm System Repl.	\$50,000		\$50,000	Planning
9	NEW	Courthouse Water Piping Repl.	\$50,000		\$50,000	Planning
10	NEW	Courthouse Vertical Hot Water Storage	\$100,000		\$100,000	
11	WS01801	Coggs Center Basement Build out	\$1,391,077		\$1,391,077	
Total			\$4,432,077	\$0	\$4,432,077	

Department Name Facilities Management Division, DAS
2018 Courthouse Complex/ County Grounds/Coggs

Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description
1	NEW	Courthouse Roof Replacement - partial	\$200,000		\$200,000	
2	NEW	CATC Domestic Hot Water Conv.	\$100,000		\$100,000	Steam used all summer
3	WC02501	Courthouse Restroom Renovation	\$311,400		\$311,400	
4	NEW	Safety Bldg. HVAC Ph. 2	\$250,000		\$250,000	
5	NEW	Safety Bldg. Window Repl. Ph.2	\$350,000		\$350,000	Single pane original windows
6	WC05601	SB Room 223 Storage Room Sh	\$97,400		\$97,400	
7	WC05101	Courts Exhibit/Case Records	\$50,400		\$50,400	
8	WC01801	SB Clerk of Court, 419 Remodel	\$255,000		\$255,000	
9	NEW	Research Park Ext. Door Replace	\$15,000		\$15,000	
10	WG01003	CATC A Building Roof Replace	\$1,559,000		\$1,559,000	
Total			\$3,188,200	\$0	\$3,188,200	

Department Name Facilities Management Division, DAS
2019 Courthouse Complex/ County Grounds/Coggs

Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description
1	WC02601	Safety Building Restrooms	\$648,000		\$648,000	
2	NEW	Courthouse Complex Carpeting	\$300,000		\$300,000	
3	WC04701	City Campus HVAC	\$250,000		\$250,000	
4	WC 0662	City Campus Chiller Replace	\$144,000		\$144,000	
5	WGO0901	CATC Building Radiant Heat	\$100,300		\$100,300	
6	WC07601	City Campus Roof Replacement	\$198,000		\$198,000	
7	WC07701	City Campus Parking Lot Resurf	\$236,000		\$236,000	
Total			\$1,876,300	\$0	\$1,876,300	

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For any questions regarding the 5 year plan template contact Pamela Bryant (x4396) or Justin Rodriguez (x4170)

Definitions

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- Project Number Use the BRASS Project Number If there is one currently assigned. If one is not assigned, please put "New" in the Project Number field.
- Reimbursement Revenue Indicate the total amount of non-county revenue that is estimated for this year of the project.
- County Financing The total amount of County revenues (bonds, cash, levy, etc.) that will be used to finance the project.

Department Name Facilities Management Division, DAS
 2015 Environmental

Prepared by: SMK (updated) 2/7/14

Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WV00901	County-wide Sanitary Sewers Repairs	\$150,000	\$0	\$150,000	Compliance with admin order
2		Warnimont Park Landfill Remediation	\$370,000		\$370,000	scope still being negotiated with WDNR
3	WV02201	Franklin Landfill Infrastructure	\$1,161,000	\$0	\$1,161,000	Landfill gas system reconstruction. Phase 2 of 2. Phase 1 funded in '13
4	WV02201	Doyne Landfill Infrastructure	\$59,000	\$0	\$59,000	Landfill gas system reconstruction. Phase 1 of 2
5		Grant Park Lift Station Upgrade	\$185,000	\$0	\$185,000	Replace failing pumps and controls
6	WV02301	McKinley Marina N. Parking Lots	\$421,000	\$0	\$421,000	Parking lot reconstruction with storm water BMPs. Phase 1 of 2
Total			\$2,346,000	\$0	\$2,346,000	

Note Red highlighted project might also be submitted by Parks as P project

Department Name Facilities Management Division, DAS
 2016 Environmental

Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description
1	WV00901	County-wide Sanitary Sewers Repairs	\$150,000	\$0	\$150,000	Compliance with admin order
2	WV02201	Doyne Landfill Infrastructure	\$949,000	\$0	\$949,000	Phase 2 of 2 (see 2015)
3		CCC Demolition	\$3,345,000	\$0	\$3,345,000	Demolish CCC and Med Examiner
4		Oak Creek Skate Lift Station Upgrade	\$75,000	\$0	\$75,000	replace pumps and controls
5	WV02101	Oak Creek Streambank Stabilization	\$324,000	\$0	\$324,000	Repair eroding streambank
6	WV02301	McKinley Marina N. Parking Lots	\$3,788,000	\$0	\$3,788,000	Phase 2 of 2 (see 2015)
					\$0	
					\$0	
					\$0	
					\$0	
Total			\$8,631,000	\$0	\$8,631,000	

Note Red highlighted project might also be
 submitted by Parks as P project

Department Name Facilities Management Division, DAS
2017 Environmental

Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description
1	WV00901	County-wide Sanitary Sewers Repairs	\$150,000	\$0	\$150,000	Compliance with admin order
2		Dretzka Park Lift Station Upgrade	\$75,000	\$0	\$75,000	replace pumps and controls
3	WV01201	Oak Creek Mill Pond	\$1,600,000	\$0	\$1,600,000	Mill Pond dredge and restore
4		Wilson Park Pond Remediation	\$400,000	\$0	\$400,000	dredging and shoreline repairs
5	WV01502	Lake Michigan Outfall - Doctors	\$100,000	\$0	\$100,000	Storm water controls to reduce pollution on beach. Phase 1 of 2
					\$0	
					\$0	
					\$0	
					\$0	
Total			\$2,325,000	\$0	\$2,325,000	

Department Name Facilities Management Division, DAS
 2019 Environmental

Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description
1	WV00901	County-wide Sanitary Sewers Repairs	\$100,000	\$0	\$100,000	Compliance with admin order
2		NR216 Stormwater TSS Controls - Phase II	\$1,068,000	\$0	\$1,068,000	scope still TBD pending WDNR rules
3		Mitchell Park Lift Station Upgrade	\$75,000	\$0	\$75,000	replace pumps and controls
4	WV01503	Lake Michigan Outfall - Grant	\$230,533	\$0	\$230,533	design developed by UW-Oshkosh under grant
5		Greenfield Park Pond Remediation	\$400,000		\$400,000	dredging and shoreline repairs
					\$0	
					\$0	
					\$0	
					\$0	
					\$0	
					\$0	
Total			\$1,873,533	\$0	\$1,873,533	

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

Date: March 24, 2014

To: Supervisor Michael Mayo, Chairman
Transportation, Public Works and Transit Committee

From: Greg High, Director, AE&ES Section, DAS-FM

Subject: **Status Update Regarding the Consolidated Facilities Plan (CFP)
For Information Only**

BACKGROUND

In early Spring 2013 CBRE, Inc. completed a comprehensive review of Milwaukee County's core facilities and presented a series of recommendations to the Transportation, Public Works and Transit (TPW/T) Committee. The Department of Administrative Services (DAS) has subsequently formed a working team to continue implementation of the **Consolidated Facilities Plan (CFP)** based on CBRE's recommendations. The 2014 adopted operating budget authorized DAS to retain CBRE to continue its work on the CFP. This informational report is the 1st of regular status reports to be submitted to the County Board on a quarterly basis.

In the January 2014 County Board committee cycle, DAS presented to the TPW/T Committee the results of a second CBRE report titled CFP – Strategies for Marcia P. Coggs Human Services Center and City Campus. This Phase 1 of implementation was titled "City Campus Go/No Go?" The summary of conclusions in that report is:

1. The existing City Campus building complex is not a viable alternative for long-term occupancy.
 - Highest Occupancy Cost Per Employee
 - Immediate & Urgent Capital Needs
2. The existing Marcia Coggs building may be an alternative for long-term occupancy.
 - Possible Long-term Lease W/State
3. A new building is best economically.
 - Lowest Cost Per Employee
 - Lower Operating Costs
 - Maximizing Space Utility

PROGRESS OF CFP IN 1ST QUARTER

Negotiations have been completed with CBRE on the implementation of the next phase, Phase 2 of implementation titled "If Not City Campus, Then Where?" The summary of scope of work for this phase is as follows:

Detailed Space Program & Relocation Strategy – City Campus (CC)

- Confirm new office space standards based on the original CFP report
- Program space for current City Campus business units
 - Headcount, future growth, and support spaces
 - Define adjacency requirements at business unit level

- Provide test fit generic floor plans for each business unit developed from the space program (provided by the County)
- Align City Campus detailed space plan with County Master Space Plan (Milwaukee County Courthouse Space Needs Study, July 2002, by Plunkett/Raysich & Milwaukee County Space Allocation and Analysis, September 2009, by Continuum Architects)
- Identify quick fit solutions (i.e. business units that can relocate to final location based on a County Master Space Plan)
- Develop short term flex space plan to bridge “today” and the County Master Space Plan
- Provide test fit floor plans for each business unit (Quick Fit & Flex Space) (provided by the County)

County Master Space Plan

- Milwaukee County must identify business units to be included in a Master Space Plan (provided by the County)
- Conduct detailed senior level business unit review regarding work process and adjacency
- Identify Strategic business hubs and projected space requirements at macro level
 - Bubble Diagrams (provided by the County)
 - Adjacency Mapping (provided by the County)
 - Block level space requirements (provided by the County)
- Prioritize strategic business hub implementation plan.
- Align Master Space Plan with CFP Strategies

Real Estate Support

- Transaction support for current State negotiations for the Marsha Coggs Center
 - Develop 2-Tier financial analysis
 - Long Term State Lease / Asset Sale
 - Short Term State Lease / County Remains / Should the County take 100% of the building over time
- Transactional support for the disposal of City Campus

NEXT STEPS

A detailed schedule for implementation of the above Phase 2 tasks is attached. In November 2014, we anticipate commencement of Phase 3 of implementation titled “Countywide Strategy (2014-2016)”. The basic summary of scope of work for this 3rd phase is as follows:

1. County Grounds Community Planning
2. Vacate City Campus
3. Vacate Coggs?
4. Continue Facility and Facility Management Consolidation

The TPW/T Committee referral from the 1/22/14 committee meeting requested a policy directive resolution from DAS that reflects a specific time period in which an initial policy decision will be made and also reflects the broader plan to allow time for the County Board to begin budget and strategic planning. A separate report will be submitted in the May or June 2014 County Board Committee cycle regarding this referral.

Approved by:



Gregory G. High, P.E., Director
AE&ES Section, DAS-FM Division
Department of Administrative Services

Attachment: Phase 2 CBRE Implementation Schedule

cc: County Executive Chris Abele
 Amber Moreen, Chief of Staff, County Executive's Office
 Kelly Bablitch, Chief of Staff, County Board of Supervisors

County of Milwaukee
INTEROFFICE MEMO

DATE: March 5, 2014

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

FROM: Brian Dranzik, Director, Department of Transportation

SUBJECT: **Capital Improvement Committee Process – 5 Yr Program Submission
(2015 – 2019) for the Milwaukee County Dept. of Transportation**

POLICY

Informational report unless otherwise directed.

BACKGROUND

Per the Milwaukee County General Ordinances 36.04, the purpose of the CIC is to develop a capital program for the entire County and establish criteria on how each capital project will be evaluated. The ordinance requires Departments to submit Programs to their respective standing committees, which will then forward their recommendations to the CIC.

REQUEST

The Department of Transportation has evaluated its anticipated capital needs. The attached includes the Department's capital needs prioritized within each program area.

Major projects include:

Roadways and Bridge Structures – Design and construction for replacement and/or rehabilitation of multiple county-owned highways and bridge structures. This includes a new allocation of funding each year for short term rehabilitation of roadways based on severe deterioration of road condition.

Fleet – Replacement of County Fleet Equipment such as passenger cars and heavy highway equipment.

Transit – Bus Fleet Replacement.

Airport – Design and construction for multiple airport system improvement projects including Airfield Safety Improvements and Pavement, Noise Mitigation/Residential Sound Insulation Program, Deicing Pads, and GMIA Central Terminal Redesign and other facility improvements.

Brian Dranzik
Director, Department of Transportation

Cc: Chris Abele, County Executive
Amber Moreen, Chief of Staff, County Executive's Office
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Willie Johnson, Jr., Co-Chair, Finance Personnel, and Audit Committee
David Cullen, Co-Chair, Finance Personnel, and Audit Committee
Scott Manske, Comptroller and Chair, Capital Improvements Committee
Josh Fudge, Director, Office of Performance, Strategy & Budget
Vince Masterson, Fiscal and Strategic Asset Coord, DAS - PSB
Pamela Bryant, Capital Finance Manager, Office of the Comptroller
Justin Rodriguez, Budget and Management Coord, Office of the Comptroller
Greg High, Director, AE&ES-FM-DAS
Gary Drent, Support Services Manager, AE&ES-FM-DAS

MCDOT Five Year Capital Plan 2015--2019
Submission for March 2014 TPWT Committee

Department Name		MCDOT-Transportation Services				
2015		Short Term Rehabilitation				
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WHXXXXX1	Short Term CTH Rehabilitation-Maintenance Projects	\$30,000	\$0	\$30,000	Short term rehabilitation to roads with severe deterioration.
2	WHXXXXX2	Short Term CTH Rehabilitation-Maintenance Projects	\$570,000	\$0	\$570,000	Short term rehabilitation to roads with severe deterioration.
					\$0	
Total			\$600,000	\$0	\$600,000	
Department Name		MCDOT-Transportation Services				
2016		Short Term Rehabilitation				
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WHXXXXX1	Short Term CTH Rehabilitation-Maintenance Projects	\$30,000	\$0	\$30,000	Short term rehabilitation to roads with severe deterioration.
2	WHXXXXX2	Short Term CTH Rehabilitation-Maintenance Projects	\$570,000	\$0	\$570,000	Short term rehabilitation to roads with severe deterioration.
					\$0	
Total			\$600,000	\$0	\$600,000	
Department Name		MCDOT-Transportation Services				
2017		Short Term Rehabilitation				
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WHXXXXX1	Short Term CTH Rehabilitation-Maintenance Projects	\$30,000	\$0	\$30,000	Short term rehabilitation to roads with severe deterioration.
2	WHXXXXX2	Short Term CTH Rehabilitation-Maintenance Projects	\$570,000	\$0	\$570,000	Short term rehabilitation to roads with severe deterioration.
					\$0	
Total			\$600,000	\$0	\$600,000	

Department Name 2018		MCDOT-Transportation Services Short Term Rehabilitation				
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WHXXXXX1	Short Term CTH Rehabilitation-Maintenance Projects	\$30,000	\$0	\$30,000	Short term rehabilitation to roads with severe deterioration.
2	WHXXXXX2	Short Term CTH Rehabilitation-Maintenance Projects	\$570,000	\$0	\$570,000	Short term rehabilitation to roads with severe deterioration.
Total			\$600,000	\$0	\$600,000	

Department Name 2019		MCDOT-Transportation Services Short Term Rehabilitation				
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WHXXXXX1	Short Term CTH Rehabilitation-Maintenance Projects	\$30,000	\$0	\$30,000	Short term rehabilitation to roads with severe deterioration.
2	WHXXXXX2	Short Term CTH Rehabilitation-Maintenance Projects	\$570,000	\$0	\$570,000	Short term rehabilitation to roads with severe deterioration.
Total			\$600,000	\$0	\$600,000	

Department Name 2015		MCDOT-Transportation Services WH001-HIGHWAY SAFETY IMPROVEMENT PROGRAM (HSIP)				
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WH001152	S. 76th St. Intersect. w/Edgerton & Lay	\$100,000	\$0	\$100,000	Intersection Safety Improvements (Construction)
2	WH001172	CTH Y-Layton Ave. Intersection w/S. 60th St.-2070-09-00	\$668,000	\$601,200	\$66,800	Intersection Safety Improvement (Construction)
3	WH001182	CTH G-43rd St. & CTH S-Mill Rd. Intersection-2216-02-00	\$450,883	\$405,795	\$45,088	Intersection Safety Improvement (Construction)
4	WH001192	Intersection of CTH U-76th St. and CTH BB-Rawson Ave.-2160-01-02	\$502,654	\$452,389	\$50,265	Intersection Safety Improvement (Construction)
5	WH001202	Intersections of CTH Y-Layton Ave. with Pennsylvania and Whitnall (W & E)-2070-08-00	\$853,239	\$767,915	\$85,324	Intersection Safety Improvements (Construction)
Total			\$2,574,776	\$2,227,299	\$347,477	

Department Name		MCDOT-Transportation Services WH002-CONGESTION MITIGATION & AIR QUALITY PROGRAM (CMAQ)				
2015						

Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WH002041	W. Rawson Ave. (CTH BB) and W. Forest Home Ave. (CTH OO) Intersection	\$86,000	\$68,800	\$17,200	Intersection Improvement (Design)
2	WH002051	W. Beloit Rd. (CTH T) and S. 112th St. Intersection	\$70,000	\$56,000	\$14,000	Intersection Improvement (Design)
3	WH002061	W. Good Hope Rd. (CTH PP) Corridor Adaptive Signal Control System	\$490,000	\$392,000	\$98,000	Signal Coordination Improvement (Design)
Total			\$646,000	\$516,800	\$129,200	

Department Name		MCDOT-Transportation Services WH002-CONGESTION MITIGATION & AIR QUALITY PROGRAM (CMAQ)				
2016						

Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WH002042	W. Rawson Ave. (CTH BB) and W. Forest Home Ave. (CTH OO) Intersection	\$379,000	\$303,200	\$75,800	Intersection Improvement (Construction)
2	WH002052	W. Beloit Rd. (CTH T) and S. 112th St. Intersection	\$305,000	\$244,000	\$61,000	Intersection Improvement (Construction)
Total			\$684,000	\$547,200	\$136,800	

Department Name		MCDOT-Transportation Services				
2015		WH010-COUNTY HIGHWAY ACTION PROGRAM				

Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WH010172	S.76th St. - Puetz to Imperial-2160-10-70	\$200,000	\$0	\$200,000	Roadway Reconstruction (Construction)
2	WH010021	Reconst. Mill Rd. 43rd St. to Teutonia Ave.-2216-01-00	\$180,000	\$144,000	\$36,000	Roadway Reconstruction (Design)
3	WH010023	Reconst. Mill Rd. 43rd St. to Teutonia Ave.-2216-01-20	\$187,500	\$150,000	\$37,500	Roadway Reconstruction (Right-of-Way)
4	WH010212	W. St. Martins Rd.- S. North Cape Rd. to S. Lovers Lane Rd.- WH010212	\$2,600,000	\$549,143	\$2,050,857	Roadway Recondition (Construction)
5	WH010161	Reconst. 13th: Drexel to Rawson	\$400,000	\$320,000	\$80,000	Roadway Reconstruction (Design)
Total			\$3,567,500	\$1,163,143	\$2,404,357	

Department Name		MCDOT-Transportation Services				
2016		WH010-COUNTY HIGHWAY ACTION PROGRAM				

Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WH010022	Reconst. Mill Rd. 43rd St. to Teutonia Ave.-2216-01-70	\$5,770,000	\$4,616,000	\$1,154,000	Roadway Reconstruction (Construction)
2	WH010161	Reconst. 13th: Drexel to Rawson	\$400,000	\$320,000	\$80,000	Roadway Reconstruction (Design)
3	WH010163	Reconst. 13th: Drexel to Rawson	\$500,000	\$400,000	\$100,000	Roadway Reconstruction (Right-of-Way)
4	WH010221	Reconst. 13th: Puetz to Drexel	\$300,000	\$240,000	\$60,000	Roadway Reconstruction (Design)
5	WH010081	Reconstruct CTH N South 92nd St. Forest Home to Howard	\$400,000	\$320,000	\$80,000	Roadway Reconstruction (Design)
6	WH010061	Reconstruct CTH Y Layton Ave. 27th to 43rd	\$400,000	\$320,000	\$80,000	Roadway Reconstruction (Design)
Total			\$7,770,000	\$6,216,000	\$1,554,000	

		MCDOT-Transportation Services				
Department Name	WH010-COUNTY HIGHWAY ACTION PROGRAM					
2017						

Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WH010161	Reconst. 13th: Drexel to Rawson	\$100,000	\$80,000	\$20,000	Roadway Reconstruction (Design)
2	WH010162	Reconst. 13th: Drexel to Rawson	\$5,800,000	\$4,640,000	\$1,160,000	Roadway Reconstruction (Construction)
3	WH010221	Reconst. 13th: Puetz to Drexel	\$300,000	\$240,000	\$60,000	Roadway Reconstruction (Design)
4	WH010081	Reconstruct CTH N South 92nd St. Forest Home to Howard	\$400,000	\$320,000	\$80,000	Roadway Reconstruction (Design)
5	WH010083	Reconstruct CTH N South 92nd St. Forest Home to Howard	\$800,000	\$640,000	\$160,000	Roadway Reconstruction (Right-of-Way)
6	WH010061	Reconstruct CTH Y Layton Ave. 27th to 43rd	\$400,000	\$320,000	\$80,000	Roadway Reconstruction (Design)
7	WH010063	Reconstruct CTH Y Layton Ave. 27th to 43rd	\$550,000	\$440,000	\$110,000	Roadway Reconstruction (Right-of-Way)
Total			\$8,350,000	\$6,680,000	\$1,670,000	

		MCDOT-Transportation Services				
Department Name	WH010-COUNTY HIGHWAY ACTION PROGRAM					
2018						

Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WH010221	Reconst. 13th: Puetz to Drexel	\$50,000	\$40,000	\$10,000	Roadway Reconstruction (Design)
2	WH010223	Reconst. 13th: Puetz to Drexel	\$500,000	\$400,000	\$100,000	Roadway Reconstruction (Right-of-Way)
3	WH010081	Reconstruct CTH N South 92nd St. Forest Home to Howard	\$240,000	\$192,000	\$48,000	Roadway Reconstruction (Design)
4	WH010061	Reconstruct CTH Y Layton Ave. 27th to 43rd	\$190,000	\$152,000	\$38,000	Roadway Reconstruction (Design)
5	WH010231	Reconstruct S. 76th St. County Line to Puetz	\$500,000	\$400,000	\$100,000	Roadway Reconstruction (Design)
Total			\$1,480,000	\$1,184,000	\$296,000	

		MCDOT-Transportation Services				
Department Name	WH010-COUNTY HIGHWAY ACTION PROGRAM					
2019						

Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WH010222	Reconst. 13th: Puetz to Drexel	\$4,100,000	\$3,280,000	\$820,000	Roadway Reconstruction (Construction)
2	WH010082	Reconstruct CTH N South 92nd St. Forest Home to Howard	\$6,600,000	\$5,280,000	\$1,320,000	Roadway Reconstruction (Construction)
3	WH010062	Reconstruct CTH Y Layton Ave. 27th to 43rd	\$6,380,000	\$5,104,000	\$1,276,000	Roadway Reconstruction (Construction)
4	WH010231	Reconstruct S. 76th St. County Line to Puetz	\$500,000	\$400,000	\$100,000	Roadway Reconstruction (Design)
5	WH010233	Reconstruct S. 76th St. County Line to Puetz	\$750,000	\$600,000	\$150,000	Roadway Reconstruction (Right-of-Way)
Total			\$18,330,000	\$14,664,000	\$3,666,000	

		MCDOT-Transportation Services				
Department Name	WH020-MAJOR REHABILITATION PROGRAM					
2015						

Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WH020162	E. Layton Ave. - S. Howell Ave. to S. Pennsylvania Ave.-2070-10-70	\$3,100,000	\$2,440,000	\$660,000	Roadway Recondition (Construction)
2	WH020163	E. Layton Ave. - S. Howell Ave. to S. Pennsylvania Ave.-2070-10-20	\$50,000	\$40,000	\$10,000	Roadway Recondition (Right-of-Way)
3	WH020191	N. Teutonia Ave. (CTH D)- W. Good Hope Rd. to W. Bradley Rd.	\$275,000	\$68,750	\$206,250	Roadway Recondition (Design)
4	WH020193	N. Teutonia Ave. (CTH D)- W. Good Hope Rd. to W. Bradley Rd.	\$50,000	\$0	\$50,000	Roadway Recondition (Right-of-Way)
5	WH020XX1	W. Ryan Rd.- S. 96th St. to S. 112th St.	\$165,000	\$41,250	\$123,750	Roadway Recondition (Design)
6	WH020XX3	W. Ryan Rd.- S. 96th St. to S. 112th St.	\$15,000	\$0	\$15,000	Roadway Recondition (Right-of-Way)
Total			\$3,655,000	\$2,590,000	\$1,065,000	

MCDOT-Transportation Services						
WH020-MAJOR REHABILITATION PROGRAM						
2016						
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WH020192	N. Teutonia Ave. (CTH D)- W. Good Hope Rd. to W. Bradley Rd.	\$2,600,000	\$1,350,000	\$1,250,000	Roadway Recondition (Construction)
2	WH020XX2	W. Ryan Rd.- S. 96th St. to S. 112th St.	\$1,400,000	\$700,000	\$700,000	Roadway Recondition (Construction)
Total			\$4,000,000	\$2,050,000	\$1,950,000	

MCDOT-Transportation Services						
WH020-MAJOR REHABILITATION PROGRAM						
2017						
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WH020XX1	N. Pt. Washington Rd.: Daphne to Good Hope	\$150,000	\$35,000	\$115,000	Roadway Recondition (Design)
Total			\$150,000	\$35,000	\$115,000	

MCDOT-Transportation Services						
WH020-MAJOR REHABILITATION PROGRAM						
2018						
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WH020171	W. Layton Ave. - S. 76th St. to S. 60th St.	\$75,000	\$20,000	\$55,000	Roadway Recondition (Design)
2	WH020XX2	N. Pt. Washington Rd.: Daphne to Good Hope	\$1,400,000	\$700,000	\$700,000	Roadway Recondition (Construction)
Total			\$1,475,000	\$720,000	\$755,000	

MCDOT-Transportation Services						
WH020-MAJOR REHABILITATION PROGRAM						
2019						
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WH020171	W. Layton Ave. - S. 76th St. to S. 60th St.	\$75,000	\$20,000	\$55,000	Roadway Recondition (Design)
2	WH020172	W. Layton Ave. - S. 76th St. to S. 60th St.	\$1,200,000	\$760,000	\$440,000	Roadway Recondition (Construction)
3	WH020181	W. Layton Ave. - S. 60th St. to W. Loomis Rd.	\$150,000	\$35,000	\$115,000	Roadway Recondition (Design)
Total			\$1,425,000	\$815,000	\$610,000	

MCDOT-Transportation Services						
WH030 -BRIDGE REPLACEMENT PROGRAM						
Department Name 2015						
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WH030132	Whitnall Park Bridge #713-2981-00-72	\$800,000	\$640,000	\$160,000	Bridge Replacement (Construction)
2	WH030062	Whitnall Park Bridge #721-2660-04-70	\$250,000	\$200,000	\$50,000	Bridge Replacement (Construction)
Total			\$1,050,000	\$840,000	\$210,000	

MCDOT-Transportation Services						
WH030 -BRIDGE REPLACEMENT PROGRAM						
Department Name 2016						
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WH030141	W. Vienna-Men. River Bridge #771	\$150,000	\$120,000	\$30,000	Bridge Replacement (Design)
Total			\$150,000	\$120,000	\$30,000	

MCDOT-Transportation Services						
WH030 -BRIDGE REPLACEMENT PROGRAM						
Department Name 2018						
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WH030142	W. Vienna-Men. River Bridge #771	\$870,000	\$690,000	\$180,000	Bridge Replacement (Construction)
2	WH030171	Oak Creek Parkway Bridge #740	\$150,000	\$120,000	\$30,000	Bridge Replacement (Design)
Total			\$1,020,000	\$810,000	\$210,000	

MCDOT-Transportation Services						
WH030 -BRIDGE REPLACEMENT PROGRAM						
Department Name 2019						
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WH030171	Oak Creek Parkway Bridge #740	\$150,000	\$120,000	\$30,000	Bridge Replacement (Design)
Total			\$150,000	\$120,000	\$30,000	

MCDOT-Transportation Services						
Department Name		WH080-BRIDGE REHABILITATION PROGRAM				
2016						
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WH080232	Whitnall Park Bridge #564-2981-00-73	\$670,000	\$536,000	\$134,000	Bridge Rehabilitation (Construction)
2	WH080242	Whitnall Park Bridge #565-2981-00-74	\$660,000	\$528,000	\$132,000	Bridge Rehabilitation (Construction)
3	WH080131	E. Mason St. Bridge #524	\$360,000	\$288,000	\$72,000	Bridge Rehabilitation (Design)
4	WH080081	Lake Park Pedestrian Ravine Rd Bridge #576	\$180,000	\$144,000	\$36,000	Bridge Rehabilitation (Design)
5	WH080031	Lake Park Pedestrian Dr over Drainage Ravine	\$140,000	\$112,000	\$28,000	Bridge Rehabilitation (Design)
Total			\$2,010,000	\$1,608,000	\$402,000	

MCDOT-Transportation Services						
Department Name		WH080-BRIDGE REHABILITATION PROGRAM				
2017						
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WH080221	Mill Road Bridge #936	\$150,000	\$120,000	\$30,000	Bridge Rehabilitation (Design)
2	WH080171	W. Rawson Ave.-Bridge #645	\$120,000	\$96,000	\$24,000	Bridge Rehabilitation (Design)
3	WH080181	W. Rawson Ave.-Bridge #661	\$120,000	\$96,000	\$24,000	Bridge Rehabilitation (Design)
4	WH080201	W. Hampton Ave.-Bridge #750	\$130,000	\$104,000	\$26,000	Bridge Rehabilitation (Design)
5	WH080061	N. Teutonia Ave. Bridge # 156	\$160,000	\$128,000	\$32,000	Bridge Rehabilitation (Design)
Total			\$680,000	\$544,000	\$136,000	

MCDOT-Transportation Services						
Department Name WH080-BRIDGE REHABILITATION PROGRAM						
2018						
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WH080091	W. College Ave. Bridge #517	\$180,000	\$144,000	\$36,000	Bridge Rehabilitation (Design)
2	WH080101	W. College Ave. Bridge #518	\$180,000	\$144,000	\$36,000	Bridge Rehabilitation (Design)
3	WH080211	Swan Blvd Bridge #511	\$150,000	\$120,000	\$30,000	Bridge Rehabilitation (Design)
4	WH080161	W. Layton Ave. Bridge #013	\$150,000	\$120,000	\$30,000	Bridge Rehabilitation (Design)
5	WH080032	Lake Park Pedestrian Dr over Drainage Ravine	\$1,000,000	\$800,000	\$200,000	Bridge Rehabilitation (Construction)
Total			\$1,660,000	\$1,328,000	\$332,000	

MCDOT-Transportation Services						
Department Name WH080-BRIDGE REHABILITATION PROGRAM						
2019						
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WH080082	Lake Park Pedestrian Ravine Rd Bridge #576	\$1,300,000	\$1,040,000	\$260,000	Bridge Rehabilitation (Construction)
Total			\$1,300,000	\$1,040,000	\$260,000	

MCDOT-Transportation Services						
Department Name WH087-Misc Bridges & Structures Program						
2015						
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WH087021	Two Culvert Pipes Rawson Ave	\$60,000	\$0	\$60,000	Two Roadway Culvert Replacements (Design)
2	WH087022	Two Culvert Pipes Rawson Ave	\$110,000	\$0	\$110,000	Two Roadway Culvert Replacements (Construction)
Total			\$170,000	\$0	\$170,000	

Department Name		MCDOT-Transportation Services Facilities and IT Systems				
2015						
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WH23401	Highway Billing & Job Costing	\$688,675	\$0	\$688,675	Replace and upgrade 30+ year old mainframe billing software program for Highway Maintenance CityWorks AMS/PLL Purchased Software and Implementation/Annual Maintenance Fee 30 user (minimum quote) \$27,000
2	WH228	Highway Maintenance & Fleet Management Garage Building Expansion - N Hopkins Location	\$2,440,799	\$0	\$2,440,799	Expand and upgrade Highway and Fleet "North Shop" to current standards. Building was constructed in the 1920s . Used cost from 2014 request
Total			\$3,129,474	\$0	\$3,129,474	

Department Name		MCDOT-Transportation Services Facilities and IT Systems				
2016						
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WH228	Highway Maintenance & Fleet Management Garage Building Expansion - N Hopkins Location	\$4,941,486	\$0	\$4,941,486	Expand and upgrade Highway and Fleet "North Shop" to current standards. Building was constructed in the 1920s . Used cost from 2014 request
Total			\$4,941,486	\$0	\$4,941,486	

Department Name		MCDOT-Transportation Services Facilities and IT Systems				
2017						
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WH228	Highway Maintenance & Fleet Management Garage Building Expansion - N Hopkins Location	\$4,185,004	\$0	\$4,185,004	Expand and upgrade Highway and Fleet "North Shop" to current standards. Building was constructed in the 1920s . Used cost from 2014 request
Total			\$4,185,004	\$0	\$4,185,004	

Department Name 2015		MCDOT-Transportation Services COUNTY SPECIAL ASSESSMENTS				
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WO870	County Special Assessments	\$250,000	\$0	\$250,000	Verify and process assessments levied on County property
Total			\$250,000	\$0	\$250,000	

Department Name 2016		MCDOT-Transportation Services COUNTY SPECIAL ASSESSMENTS				
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WO870	County Special Assessments	\$250,000	\$0	\$250,000	Verify and process assessments levied on County property
Total			\$250,000	\$0	\$250,000	

Department Name 2017		MCDOT-Transportation Services COUNTY SPECIAL ASSESSMENTS				
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WO870	County Special Assessments	\$250,000	\$0	\$250,000	Verify and process assessments levied on County property
Total			\$250,000	\$0	\$250,000	

Department Name 2018		MCDOT-Transportation Services COUNTY SPECIAL ASSESSMENTS				
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WO870	County Special Assessments	\$250,000	\$0	\$250,000	Verify and process assessments levied on County property
Total			\$250,000	\$0	\$250,000	

Department Name 2019		MCDOT-Transportation Services COUNTY SPECIAL ASSESSMENTS				
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WO870	County Special Assessments	\$250,000	\$0	\$250,000	Verify and process assessments levied on County property
Total			\$250,000	\$0	\$250,000	

Department Name		MCDOT - Airport				
2015						
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
					\$0	
1	WA123	GMIA-AIRFIELD SAFETY IMPROVEMENT	\$500,000	\$500,000	\$0	Airfield Safety Improvements
2	NEW	Airfield Pavement Rehabilitation - Phase 2	\$1,120,000	\$1,120,000	\$0	Airfield Pavement Rehabilitation - Phase 2
3	NEW	Runway 13-31 Pavement Resurface	\$2,600,000	\$2,600,000	\$0	Runway 13-31 Pavement Resurface
4	WA064	PHASE II MITIGATION PROGRAM	\$1,000,000	\$1,000,000	\$0	NCP - Phase II Residential Sound Insulation Program (RSIP)
5	WA022	Runway Abrasive Materials Storage Building - Design and Construction	\$3,000,000	\$3,000,000	\$0	Runway Abrasive Materials Storage Building - Design and Construction
6	WA125	SECURITY & WILDLIFE DETER PERIMETER FENCING	\$303,000	\$303,000	\$0	Perimeter Fencing
7	WA062	Firehouse Addition - Design	\$185,000	\$185,000	\$0	Firehouse Addition - Design; for additional living quarters
8	NEW	LJT New FBO Terminal	\$200,000	\$200,000	\$0	LJT New FBO Terminal - Design
9	NEW	LJT perimeter fencing (replacement)	\$200,000	\$200,000	\$0	fencing perimeter of property yr 1 of 5
Total			\$9,108,000	\$9,108,000	\$0	

Department Name		MCDOT - Airport				
2016						
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WA123	GMIA-AIRFIELD SAFETY IMPROVEMENT	\$500,000	\$500,000	\$0	Airfield Safety Improvements
2	NEW	Airfield Pavement Rehabilitation - Phase 2	\$1,120,000	\$1,120,000	\$0	Airfield Pavement Rehabilitation - Phase 2
3	NEW	13-31 and Taxiway S&Y Re-Cable and Relighting	\$1,300,000	\$1,300,000	\$0	13-31 and Taxiway S&Y Re-Cable and Relighting
4	WA125	SECURITY & WILDLIFE DETER PERIMETER FENCING	\$309,000	\$309,000	\$0	Perimeter Fencing
5	NEW	Operations Control Center	\$967,000	\$967,000	\$0	rebuild Maintenance/Operations building
6	WA150	Part 150 Noise / Mini Ground Run-up Enclosure (GRE) - Design	\$100,000	\$100,000	\$0	Part 150 Noise / Mini Ground Run-up Enclosure (GRE) - Design
7	NEW	Taxiway F Reconstruction (concrete)	\$2,200,000	\$2,200,000	\$0	Taxiway F Reconstruction (concrete)
8	NEW	Replace Skywalk Glass	\$3,600,000	\$3,600,000	\$0	Replace Skywalk Glass
9	WA177	Parking Structure Preventative Maintenance Capital Repairs	\$758,000	\$758,000	\$0	Parking Structure Preventative Maintenance Capital Repairs
10	NEW	Gates D54& D55 improvements design & construction	\$1,500,000	\$1,500,000	\$0	move gates from ground boarding to concourse level includes two new PLB, to accommodate airline movement
11	WA121	Development of Parking at Sixth Street - Phase II	\$160,000	\$160,000	\$0	Development of Parking at Sixth Street - Phase II design
12	WA174	Admin Building Addition	\$260,000	\$260,000	\$0	Admin Building Addition - design
13	WA130	PART 150 NOISE BARRIER STUDY	\$200,000	\$200,000	\$0	Part 150 / Noise Barrier Design
14	NEW	Part 150 Noise / Aircraft Operational Study	\$152,000	\$152,000	\$0	Part 150 Noise / Aircraft Operational Study
15	WA096	PARKING STRUCTURE RELIGHTING	\$1,600,000	\$1,600,000	\$0	Parking Structure Relighting - Design and Construction
16	NEW	LJT New FBO Terminal	\$1,800,000	\$1,800,000	\$0	LJT New FBO Terminal construction
17	WA152	Part 150 Noise / Vacant Land Acquisition	\$520,000	\$520,000	\$0	Part 150 Noise / Vacant Land Acquisition
18	WA062	Firehouse Garage Addition - Construction	\$1,372,000	\$1,372,000	\$0	Firehouse Addition - Construction (add'l living quarters)
19	NEW	Airport Maintenance (MP I) - design	\$300,000	\$300,000	\$0	Rebuild Maintenance/operations building - design
20	NEW	LJT perimeter fencing (replacement)	\$200,000	\$200,000	\$0	fencing perimeter of property year 2 of 5
Total			\$18,918,000	\$18,918,000	\$0	

Department Name		MCDOT - Airport				
2017						
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WA123	GMIA-AIRFIELD SAFETY IMPROVEMENT	\$500,000	\$500,000	\$0	Airfield Safety Improvements
2	NEW	Airfield Pavement Rehabilitation - Phase 2	\$1,120,000	\$1,120,000	\$0	Airfield Pavement Rehabilitation - Phase 2
3	WA125	SECURITY & WILDLIFE DETER PERIMETER FENCING	\$315,000	\$315,000	\$0	Perimeter Fencing
4	NEW	Airport Maintenance (MP I) - construction	\$5,689,000	\$5,689,000	\$0	Rebuild Maintenance/operations building - construction
5	WA096	PARKING STRUCTURE RELIGHTING	\$1,406,000	\$1,406,000	\$0	Parking Structure Relighting - Design and Construction
6	WA150	Part 150 Noise / Mini Ground Run-up Enclosure (GRE) - Construction	\$500,000	\$500,000	\$0	Part 150 Noise / Mini Ground Run-up Enclosure (GRE) - Construction
7	WA152	Part 150 Noise / Vacant Land Acquisition	\$1,040,000	\$1,040,000	\$0	Part 150 Noise / Vacant Land Acquisition
8	WA158/OR NEW	Deicer Pads - Design and Construction	\$14,075,000	\$14,075,000	\$0	Deicer Pads - Design and Construction
9	WA174	Admin Building Addition	\$2,840,000	\$2,840,000	\$0	Admin Building Addition construction
10	NEW	Phase 1 (Master Plan B-1) Central Terminal Modification (includes mall, ticketing, baggage & checkpoints)	\$5,000,000	\$5,000,000	\$0	Phase 1 (Master Plan B-1) Central Terminal Modification (includes mall, ticketing, baggage & checkpoints)
11	WA121	Development of Parking at Sixth Street - Phase II	\$1,311,000	\$1,311,000	\$0	Development of Parking at Sixth Street - Phase II construction
12	WA130	PART 150 NOISE BARRIER STUDY	\$495,000	\$495,000	\$0	Part 150 / Noise Barrier Construction
13	NEW	Part 150 Noise / Aircraft Operational Study	\$260,000	\$260,000	\$0	Part 150 Noise / Aircraft Operational Study
14	WA131	PART 150 RAMP ELECTRIFICATION	\$4,160,000	\$4,160,000	\$0	Part 150 Noise / Ramp Electrification Construction(1st year)
15	NEW	LJT perimeter fencing (replacement)	\$200,000	\$200,000	\$0	fencing perimeter of property year 3 of 5
					\$0	
Total			\$38,911,000	\$38,911,000	\$0	

Department Name		MCDOT - Airport				
2018						
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WA123	GMIA-AIRFIELD SAFETY IMPROVEMENT	\$500,000	\$500,000	\$0	Airfield Safety Improvements
2	NEW	Airfield Pavement Rehabilitation - Phase 2	\$1,120,000	\$1,120,000	\$0	Airfield Pavement Rehabilitation - Phase 2
3	WA125	SECURITY & WILDLIFE DETER PERIMETER FENCING	\$322,000	\$322,000	\$0	Perimeter Fencing
4	NEW	Perimeter Road Extension (South Maintenance)	\$3,000,000	\$3,000,000	\$0	Perimeter Road Extension (South Maintenance)
5	WA112	GMIA TAXIWAY R & R3 RECONSTRUCT	\$4,818,000	\$4,818,000	\$0	Rebuild Taxiways R & R3 Construction
6	NEW	Phase 1 (Master Plan B-1) Central Terminal Modification (includes mall, ticketing, baggage & checkpoints)	\$25,000,000	\$25,000,000	\$0	Phase 1 (Master Plan B-1) Central Terminal Modification (includes mall, ticketing, baggage & checkpoints) construction year 1
7	WA130	PART 150 NOISE BARRIER STUDY	\$495,000	\$495,000	\$0	Part 150 / Noise Barrier Construction
8	NEW	LJT perimeter fencing (replacement)	\$200,000	\$200,000	\$0	fencing perimeter of property year 4 of 5
Total			\$35,455,000	\$35,455,000	\$0	

Department Name		MCDOT - Airport				
2019						
Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WA123	GMIA-AIRFIELD SAFETY IMPROVEMENT	\$500,000	\$500,000	\$0	Airfield Safety Improvements
2	NEW	Airfield Pavement Rehabilitation - Phase 2	\$1,120,000	\$1,120,000	\$0	Airfield Pavement Rehabilitation - Phase 2
3	WA125	SECURITY & WILDLIFE DETER PERIMETER FENCING	\$328,000	\$328,000	\$0	Perimeter Fencing
4	WA112	GMIA TAXIWAY R & R3 RECONSTRUCT	\$5,000,000	\$5,000,000	\$0	Rebuild Taxiways R & R3 Construction (yr 2)
5	NEW	Phase 1 (Master Plan B-1) Central Terminal Modification (includes mall, ticketing, baggage & checkpoints)	\$25,000,000	\$25,000,000	\$0	Phase 1 (Master Plan B-1) Central Terminal Modification (includes mall, ticketing, baggage & checkpoints)
6	WA148	Expansion Fleet Portion of Combined Maintenance Facility - construction	\$12,773,000	\$12,773,000	\$0	Expansion Fleet Portion of Combined Maintenance Facility - construction
7	NEW	Connector Taxiways Modifications (per MP)	\$4,386,000	\$4,386,000		Master plan M-1, M-3, M-4 & M-5
8	NEW	LJT perimeter fencing (replacement)	\$200,000	\$200,000	\$0	fencing perimeter of property year 5 of:
Total			\$49,307,000	\$49,307,000	\$0	

Department Name	MCDOT - Fleet Management				
2015					

Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WO112014	Fleet Equipment Acquisition	\$3,000,000	\$0	\$3,000,000	Debt Service and Interest on Bonds
2	WO112054	Parks Equipment Acquisition	\$2,000,000		\$2,000,000	Debt Service and Interest on Bonds
3	WO112024	PFC Airport Equipment	\$2,000,000	\$2,000,000	\$0	Paid with Passenger Facility Fees
4	WO113	Stormwater Reconfiguration	\$1,232,000		\$1,232,000	Out of Compliance with State
5	WO103	Change Name to Repairs to Roof - Fleet Central Garage	\$153,600		\$153,600	Roof leaking in repair isle
6	WOXXX_NEW	Replace Fuel Pumps and Readers	\$40,000		\$40,000	Replacement
7	WO107	Fleet Window Replacement	\$270,714		\$270,714	Replacement
Total			\$8,696,314	\$2,000,000	\$6,696,314	

Department Name	MCDOT - Fleet Management				
2016					

Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WO112014	Fleet Equipment Acquisition	\$3,000,000	\$0	\$3,000,000	Debt Service and Interest on Bonds
2	WO112054	Parks Equipment Acquisition	\$2,000,000		\$2,000,000	Debt Service and Interest on Bonds
3	WO112024	PFC Airport Equipment	\$2,000,000	\$2,000,000	\$0	Paid with Passenger Facility Fees
4	WO859	Fleet Building Exterior Painting	\$70,000		\$70,000	Improve Bldg Appearance
Total			\$7,070,000	\$2,000,000	\$5,070,000	

Department Name	MCDOT - Fleet Management				
2017					

Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WO112014	Fleet Equipment Acquisition	\$3,000,000	\$0	\$3,000,000	Debt Service and Interest on Bonds
2	WO112054	Parks Equipment Acquisition	\$2,000,000		\$2,000,000	Debt Service and Interest on Bonds
3	WO112024	PFC Airport Equipment	\$2,000,000	\$2,000,000	\$0	Paid with Passenger Facility Fees
Total			\$7,000,000	\$2,000,000	\$5,000,000	

Department Name	MCDOT - Fleet Management				
2018					

Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WO112014	Fleet Equipment Acquisition	\$3,000,000	\$0	\$3,000,000	Debt Service and Interest on Bonds
2	WO112054	Parks Equipment Acquisition	\$2,000,000		\$2,000,000	Debt Service and Interest on Bonds
3	WO112024	PFC Airport Equipment	\$2,000,000	\$2,000,000	\$0	Paid with Passenger Facility Fees
Total			\$7,000,000	\$2,000,000	\$5,000,000	

Department Name	MCDOT - Fleet Management				
2019					

Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WO112014	Fleet Equipment Acquisition	\$3,000,000	\$0	\$3,000,000	Debt Service and Interest on Bonds
2	WO112054	Parks Equipment Acquisition	\$2,000,000		\$2,000,000	Debt Service and Interest on Bonds
3	WO112024	PFC Airport Equipment	\$2,000,000	\$2,000,000	\$0	Paid with Passenger Facility Fees
Total			\$7,000,000	\$2,000,000	\$5,000,000	

Department Name	MCDOT - Transit				
2015					

Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WT026	Bus Replacement Program	\$12,750,000	\$0	\$12,750,000	30 buses at \$425,000/each
2	new	MCTS On-Bus Video System	\$5,000,000	\$4,000,000	\$1,000,000	replace current camera system
3	new	KK Maint. Garage - HVAC System			\$0	replace current system
4	new	FDL Garage Roof Replacement			\$0	storage bldgs. - tracks 1 - 24
5	new	KK Garage Roof Replacement			\$0	bus storage building
6	WT055	Façade and Foundation Repairs	\$300,000	\$240,000	\$60,000	FDL garage repairs
Total			\$18,050,000	\$4,240,000	\$13,810,000	

Department Name	MCDOT - Transit				
2016					

Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WT026	Bus Replacement Program	\$13,000,000	\$0	\$13,000,000	30 replacement buses
2	WT060	MCTS Admin. Bldg Fire System	\$150,000	\$120,000	\$30,000	replace current fire system
3	new	FDL Garage Replace Concrete Yard	\$1,000,000	\$800,000	\$200,000	replace concrete yard along 35th St.
Total			\$14,150,000	\$920,000	\$13,230,000	

Department Name	MCDOT - Transit				
2017					

Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WT026	Bus Replacement Program	\$13,250,000	\$0	\$13,250,000	30 replacement buses
2	WT059	MCTS Admin. Lighting Upgrades	\$450,000	\$360,000	\$90,000	lighting upgrades - MCTS Admin.
3	WT074	FBZ Garage Lighting Upgrades	\$300,000	\$240,000	\$60,000	lighting upgrades - FBZ Garage
4	new	Fleet Maint. Lighting Upgrades	\$500,000	\$400,000	\$100,000	lighting upgrades - Fleet Maint.
Total			\$14,500,000	\$1,000,000	\$13,500,000	

Department Name	MCDOT - Transit				
2018					

Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WT026	Bus Replacement Program	\$13,500,000	\$0	\$13,500,000	30 replacement buses
2	new	Fleet Maint. Replace Roof	\$1,000,000	\$800,000	\$200,000	replace roof - Fleet Maint.
3	WT058	FDL Garage Steel Column Repairs	\$120,000	\$96,000	\$24,000	steel column repairs - FDL Garage
4	WT062	FBZ Garage Steel Column Repairs	\$250,000	\$200,000	\$50,000	steel column repairs - FBZ Garage
Total			\$14,870,000	\$1,096,000	\$13,774,000	

Department Name	MCDOT - Transit				
2019					

Rank	Project Number	Project Name	Total Cost	Reimbursement Revenue	County Financing	Project Description/Annual Operating Impact
1	WT026	Bus Replacement Program	\$13,750,000	\$0	\$13,750,000	30 replacement buses
2	WT061	FDL - Paint Bus Storage Bldgs	\$275,000	\$220,000	\$55,000	clean and paint FDL garage bldgs.
3	WT063	FBZ - Paint Bus Storage Bldgs	\$150,000	\$120,000	\$30,000	clean and paint FBZ garage bldgs.
4	WT064	FBZ Maint. - Window Replacement	\$410,000	\$328,000	\$82,000	replace windows - FBZ Maint. Bldg.
Total			\$14,585,000	\$668,000	\$13,917,000	

-COUNTY OF MILWAUKEE-
INTEROFFICE COMMUNICATION

DATE: March 28, 2014

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

FROM: Julie Esch, Director of Operations
Department of Administrative Services

**SUBJECT: Public Policy Forum Report – Milwaukee County Water Utility:
Analyzing the issues surrounding a potential transfer in
ownership to the City of Wauwatosa-For Information Only**

BACKGROUND

In the fall of 2012, the Milwaukee County (County) and the City of Wauwatosa (City) met to discuss the possibility of transferring the County Utility to the City. Representatives of the County and City agreed to engage the Public Policy Forum (PPF) in a professional services agreement for the analysis of the pros and cons of transferring the County Utility to the City. The County and City agreed to share equally in the \$20,000 cost of the contract.

Originally, the County and City requested that the PPF provide an analysis of the entire water system. However, the Wisconsin Department of Transportation's (WisDOT) deadlines for submission of plans and specifications related to the reconstruction of Swan Boulevard and Watertown Plank Road forced the PPF, with the permission of the County and City, to analyze those parts of the water system directly impacted by the Swan Boulevard and Watertown Plank Road mitigation projects immediately. The remainder of the County water utility was analyzed separately in order for the County to meet WisDOT deadlines.

Based on Phase I analysis, the PPF recommended that transfer of the seven County water utility customers and west water tower to the City should occur as it would be mutually beneficial to both parties. Thereafter, the Milwaukee County Board of Supervisors, at its July 10, 2013 meeting, adopted resolution (File No. 13-566) approving a memorandum of agreement between the County and the City for the transfer of the seven water utility customers and west water tower to the City. The Phase II report by the PPF addresses the remaining customers and system infrastructure.

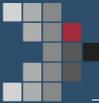
REQUEST

The Department of Administrative Services is requesting that the Public Policy Forum present its recent report entitled, "Milwaukee County Water Utility: Analyzing issues surrounding a potential transfer in ownership to the City of Wauwatosa," to the Finance, Audit and Personnel Committee at its April 17, 2014 meeting.



Julie Esch, Director of Operations
Department of Administrative Services

Milwaukee County Water Utility: *Analyzing the issues surrounding a potential transfer in ownership to the City of Wauwatosa*



Public Policy Forum

Impartial research. Informed debate.

ABOUT THE PUBLIC POLICY FORUM

Milwaukee-based Public Policy Forum – which was established in 1913 as a local government watchdog – is a nonpartisan, nonprofit organization dedicated to enhancing the effectiveness of government and the development of southeastern Wisconsin through objective research of regional public policy issues.

PREFACE AND ACKNOWLEDGMENTS

This report was commissioned and funded by the Milwaukee County Department of Administrative Services (DAS) and the City of Wauwatosa for the purpose of providing an independent, third-party analysis of the advantages and disadvantages of Milwaukee County's continued ownership of the County Grounds water utility, and exploring a possible shift in ownership to the City of Wauwatosa. We hope that policymakers and community leaders will use the report's findings to inform their consideration of this issue.

Report authors would like to thank staff from both governments – including budget, administrative, facilities, and water utility staff – for providing information during the study process and patiently answering our questions.

MILWAUKEE COUNTY WATER UTILITY:

Analyzing the issues surrounding a potential transfer in ownership to the City of Wauwatosa

March 2014

Research by:

David Amenta, Researcher

Rob Henken, President



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INTRODUCTION

A newcomer to the Milwaukee area may wonder why the impressive cluster of hospitals and businesses in the vicinity of the intersection of Highway 45 and Watertown Plank Road is referred to as the “County Grounds.” After all, the area is located entirely within the boundaries of the City of Wauwatosa, and the towering hospitals, busy parking structures, and construction cranes overshadow the Milwaukee County operations located there. Even the County Grounds’ two business parks seem to orbit around the regional medical complex, as opposed to County facilities.

Long-time residents of the region understand that was not always the case. The County Grounds were purchased by Milwaukee County in 1852 and were exclusively occupied for more than a century by a variety of County institutions. The most notable of those was Doyne Hospital, the County’s public hospital, but the Grounds also included a variety of institutions that served the sick and the poor, including a poor farm, orphanage, and tuberculosis asylum. The County also established a variety of supporting operations to serve its institutions, including a bakery, police and fire stations, and electric and water utilities.

Today, however, most of the County institutions at the County Grounds have disappeared. The County-run social welfare facilities and Doyne Hospital have closed and the County’s Mental Health Complex has shrunk from 900 beds to fewer than 200. While a few additional County functions remain, all of the support facilities once run by the County also have been closed or sold, with the exception of a small county-administered water utility that continues to serve several of the Grounds’ largest tenants.

This report – commissioned by the Milwaukee County Department of Administrative Services and the City of Wauwatosa – examines whether the time has come for the Milwaukee County water utility also to disappear, with its infrastructure and customers transferred to the City of Wauwatosa’s water utility. It is a follow-up to a report produced for those two entities in April 2013, which examined the feasibility of transferring seven users of the county utility to the city utility in light of construction impacts caused by the Zoo Interchange project. That report ultimately led to an agreement between the two governments to effectuate the transfer of those seven users.

At first glance, there would appear to be a sound rationale for exploring the transfer of the remaining county customers to the city utility. The county water system is surrounded by the city’s water mains, and combining the two systems would appear to hold promise to increase the efficient use (and cost) of infrastructure. In addition, the county utility is unregulated, and moving it under the purview of a municipal utility regulated by the state’s Public Service Commission (PSC) could provide better assurance to customers regarding both cost control and service. That is an important consideration given the critical role those customers play in the regional economy and hopes for continued economic development on the Grounds.

Digging deeper, however, reveals that there are several complex financial and policy considerations that would complicate an agreement between the county and city and possibly make such a transfer unpalatable to one or both parties. Those include the age of the county infrastructure and questions



regarding its condition that would affect the City's long-term capital cost for infrastructure replacement; the impact of a transfer on county and city staffing; the financial impact for the county if it is no longer able to charge certain overhead costs to water utility customers; the treatment of debt service that still exists on components of the county utility; effects on current and prospective city ratepayers; and impacts on other elements of public service provision at the County Grounds, including police and fire.

This report seeks to identify, break down, and analyze these and related issues so that county and city policymakers can better assess respective costs and benefits associated with a water utility transfer, and so that they ultimately can determine the desirability of entering into negotiations to pursue a transfer agreement. While we do not recommend whether the transfer should occur, we do provide insights into the possible framework for negotiations should county and city policymakers determine that is the direction in which they would like to proceed.

The report begins with an overview of the County Grounds, including background on its history, future development, and current conditions. This overview is crucial to understanding the many complicated institutional relationships that have determined the patchwork pattern of public services at the County Grounds. It then provides background information on the water utility more specifically, presenting data on customers and water usage, infrastructure condition, regulatory concerns, finances, and staffing.

With this information as context, the report next considers fiscal impacts and other issues surrounding a utility transfer. Financial considerations for both the County and the City are summarized, as well as the estimated impact of a transfer on water rates. Finally, we consider how an agreement might be structured to address the prospective costs and benefits that would be incurred by each party, and how such an agreement might impact other aspects of public service provision at the County Grounds.

Overall, this report is intended not only to analyze the specifics of a possible transfer of the Milwaukee County water utility to the City of Wauwatosa, but also to raise general public awareness regarding current governance and service delivery at the County Grounds. Whether or not a transfer of the county water utility is deemed desirable and practical, we hope this report will lead to renewed consideration of how public services should be equitably and effectively provided to a set of institutions and businesses that together comprise one of Wisconsin's most important economic development engines.



OVERVIEW OF COUNTY GROUNDS

In this section, we briefly describe the history and current economic conditions at the County Grounds to provide context for the consideration of the current provision of water services and whether a new framework is warranted. This section also describes how a variety of additional public services are provided at the County Grounds and how they are funded. An understanding of the various agreements that are in place to dictate public service provision is essential to contemplating how water services fit into the overall public service framework and possible opportunities to modify that framework.

History of the County Grounds

The Milwaukee County Water Utility is one of the last remnants of a collection of public institutions located at the Milwaukee County Grounds that date from the mid-19th century. In 1852, the County purchased 160 acres of farmland in the western part of the county for use as a poor farm. Associated with the poor farm were indigent burial places and the Milwaukee County Hospital, which was established in 1861 to serve the poor farm's residents. The farm itself remained in operation until 1964.

Over time, the County located a variety of additional institutions at the County Grounds, including a Home for Dependent Children, Mairdale Tuberculosis Sanitarium, a nursing school, a Hospital for Mental Diseases, and the Department of Outdoor Relief (i.e. public assistance). In 1915, these institutions were united into a single administrative unit and the Manager of County Institutions became the highest paid administrator in Milwaukee County government.

Several supporting operations also were established by the County to serve its institutions at the County Grounds, including purchasing, accounting functions, police and fire protection, electric and water utilities, and a general store, garage, bakery, and laundry. In 1956, the County Institutions encompassed 80 buildings and housed six major patient care institutions with an average daily patient population of around 6,000.¹ In addition to county operations, other public institutions, such as a School of Agriculture and Domestic Agronomy, also located at the County Grounds.

While a few county functions still are located at the County Grounds – including the Behavioral Health Division and the Children's Court – most of the county institutions and facilities that once inhabited the area have been sold or closed. The county's orphanages and poor farms, for example, became obsolete with the development of modern health and welfare programs. The County also sold its electric utility to We Energies in 1995 and closed Doyne Hospital in that same year.

As Milwaukee County's leaders gradually diminished County government's presence on the County Grounds, they sought to transform the Grounds into the region's primary health care hub and one of its foremost drivers of economic development. Today, that vision has been largely accomplished. Although the County remains the primary landowner at the County Grounds, county departments occupy only about 14% of the total square feet of developed property. Instead, the Grounds are now dominated by the Milwaukee Regional Medical Center, the largest concentration of medical and

¹ "Know Your County", *Milwaukee Journal Sentinel*, 1956.



associated development within southeast Wisconsin.² In addition, the County Grounds soon will become home to the University of Wisconsin-Milwaukee's Innovation Campus, which will serve as a research hub and business location for engineering and related disciplines.

A mixture of other land uses also are located at the County Grounds, including the County's fleet maintenance facility, a City of Wauwatosa fire station, the playing fields of Wisconsin Lutheran College, and community gardens. In addition, nearly 1,200 acres of the County Grounds remain undeveloped and contain an urban forest managed by the DNR, a flood detention basin, and other natural areas. **Figure 1** shows the location of county facilities, hospitals, and other major land uses.

Figure 1: Major land uses at the Milwaukee County Grounds



Milwaukee Regional Medical Center

The County joined with private hospitals in the late 1960s to establish the Medical Center of Southeastern Wisconsin, now known as the Milwaukee Regional Medical Center (MRMC). Current members include the Curative Care Network, Froedtert Hospital, Children's Hospital and Health System, the Medical College of Wisconsin, the Blood Center of Wisconsin's Blood Research Institute, and the

² City of Wauwatosa website, <http://www.wauwatosa.net/index.aspx?NID=601>

County's Behavioral Health Division. According to the MRMC website, the member hospitals serve more than one million patients annually.

The county holds land leases with each of the member institutions. These leases generally have 100-year terms, the first 50 of which are rent-free. These generous terms were developed, in part, to further the county's goal of encouraging non-profit health care organizations to locate and expand their operations at the County Grounds.

Milwaukee County Research Park

The Milwaukee County Research Park Corporation (MCRPC) was created by the County in 1987 as a quasi-public corporation to manage the development of a research park in the area of the County Grounds that is south of Watertown Plank Road and West of Highway 45. Over the years, MCRPC has facilitated the sale of 110 acres of land to private developers. The most recent census of business activity in the Research Park identified 115 businesses which collectively employ approximately 4,000 people. The county still owns one building at the Research Park – the Technology Innovation Center, a small business incubator which is leased to and managed by the MCRPC.

Both the County and Wauwatosa contributed financially to the Research Park's creation. According to MCRPC, all of the County's initial \$4 million investment had been repaid by 2000. The City, meanwhile, established a tax increment financing district (TIF) at the Research Park to fund streets, sidewalks, site preparation, and public utilities. This TIF is expected to close by 2015, returning \$180 million in assessed value to the general tax rolls.

UWM Innovation Campus

Innovation Campus is located north of Watertown Plank Road and east of Highway 45 in a portion of the Grounds that was purchased by the University of Wisconsin-Milwaukee (UWM) Real Estate Foundation from the County for \$13.6 million in 2011.³ The development is a collaboration between the City, UWM, the County, the Federal Economic Development Administration, and private developers. Out of a total of 88.4 acres, 11.4 are set aside for habitat protection and 59.5 acres are available for development. Innovation Campus is envisioned as a modern research park that "will not only offer technology transfer and business incubation services, but incorporate the academic and research enterprise of the university directly into the development of a private sector park."⁴

Construction has begun on a 25,000-square-foot business accelerator program and on a commercial office building for the ABB corporation. In 2010, the City created a TIF district to fund infrastructure and development at Innovation Campus. This district was amended in October 2013 to support the development of 192 high-end housing units at the site.⁵ This project will include the renovation of

³ 2013 County Capital Budget, WO114, Countywide Infrastructure Improvements

⁴ UWM Real Estate Foundation website, <http://uwmrealestatefoundation.org/innovationpark/overview/vision.aspx>

⁵ Memo dated September 19, 2013 from Springsted Incorporated to James Archambo, Wauwatosa City Administrator



some portion of the former agricultural school designed by Alexander Eschweiler, which is listed on the national register of historic buildings.

Occupancy and Employment at the County Grounds

Table 1 indicates that while the County retains a presence at the County Grounds, MRMC private hospitals are by far the largest occupants in terms of square feet. Furthermore, much of the private development that has occurred in the Research Park is related to the MRMC, such as GE Healthcare, one of the world’s largest health care technology firms that has its clinical systems business unit headquartered at the County Grounds. The UWM Real Estate Foundation also touts the proximity of Innovation Campus to MRMC, noting that it “will help to foster innovative research and collaboration.”

Table 1: Square Footage of Developed Properties at the County Grounds

	2012
MRMC Private Hospitals	5,378,000
Research Park	
Technology Innovation Center – County-owned	137,000
Privately-owned	1,274,000
Total Research Park	1,412,000
Innovation Campus	0
County-Owned and Occupied	
BHD	773,000
Children's Court	220,000
Other County	171,000
Total County	1,164,000
Other Uses*	173,000
Total Square Footage	8,126,000

* Other uses include the We Energies plant, Ronald McDonald House, Wauwatosa fire station. These square footages are estimated

Sources: City of Wauwatosa, MCRPC, County Cost Sharing Ordinance.

The businesses and non-profit hospitals located at the County Grounds are key drivers of economic growth in the City of Wauwatosa and Milwaukee County. For example, **Table 2** shows that the County Grounds house more than 20,000 employees.



Table 2: Employment at the County Grounds

	Employees
County Departments	585
MRMC	15,000
Research Park	4,300
Other	230
Total	20,115
City Employment	24,295
County Employment	465,103

Sources: Milwaukee County Facilities Maintenance, MRMC and MCRPC, City of Wauwatosa, State of Wisconsin Department of Workforce Development.

While the County Grounds occupants serve as Wauwatosa’s major base of employment, neither the nonprofit MRMC institutions nor the county facilities generate property tax revenue. The private businesses that have clustered around the MRMC over the years do pay property taxes, however. In fact, three of those properties – the We Energies Plant, Wisconsin Athletic Club, and MRMC’s child care facility – generate about \$175,000 in tax revenue to the City annually.

As described above, the City of Wauwatosa established a tax increment financing district to fund much of the infrastructure needed to create the Research Park. Assessed value in that Tax Increment District (TID #2) has increased by \$190 million over the base.⁶ Upon the anticipated closure of TID #2 in May 2015,⁷ one half of the estimated \$1.3 million in additional city taxes (based on 2013 valuation) can be used to increase the city’s levy for general city operations, while the other half must be used to reduce the overall city property tax burden.⁸

Public Services at the County Grounds

Table 3 summarizes the distinctive pattern of public services at the County Grounds. Because of the Grounds’ unique history, the County continues to provide several municipal-type services, including water, stormwater management, and police patrol. The City of Wauwatosa provides other services. In terms of the funding of those services, the MRMC private hospitals pay directly for many services while others are funded with Milwaukee County property tax dollars.

⁶ State Department of Revenue, 2013 report

⁷ Report by Teig Whaley-Smith, County Economic Development Director, to the Chair of the Economic and Community Development Committee, dated August 23, 2013

⁸ City of Wauwatosa Budget, 2012, updated with 2013 valuation numbers.



Table 3: Public Services at the County Grounds

Public Service	Jurisdiction Providing Service	Payment for Service
Police Protection	Milwaukee County Sheriff	MRMC private hospitals and County taxpayers
Fire Protection	City of Wauwatosa	County taxpayers and some private users
Road maintenance, street lights, traffic control	Milwaukee County	MRMC members through Cost Sharing Ordinance
Electricity	We Energies	User charges
Electricity (4160 V system)	Milwaukee County electric utility	User charges
Chilled water, steam heat	We Energies	User charges
Water	Milwaukee County water utility	User charges
Stormwater management /Sanitary Sewer	Milwaukee County water utility	User charges

Police services

The Milwaukee County Sheriff provides police patrol at the County Grounds and the Zoo. The 2014 county budget contains an appropriation of \$1,245,671 for the Sheriff's Division of County Grounds Security, which is staffed with nine deputy sheriffs and one sergeant. This division staffs two 24-hour posts, one at Froedtert Hospital and one at Children's Hospital.

The Blood Center, Medical College, and Froedtert and Children's Hospitals contract with the Sheriff for police protection services. On an annual basis, those entities pay \$623,000 to the County for those services. The remaining expense relating to County Grounds security, \$622,671, is funded with property tax levy. The Sheriff's Department estimates that about 66% of the workload of County Grounds Security relates to private MRMC entities, which would translate to a service cost of \$822,000.

Fire protection services

The City of Wauwatosa operates a fire station on the County Grounds under a 1980 agreement that will remain in effect until 2040. Both the City and County contributed to the construction and equipment of Station 3, which is located in the County Grounds' southwestern quadrant.⁹ Under the terms of the agreement, the county agreed to fund the cost of 15 firefighter positions plus a small additional amount for supplies and other related costs. The cost of the 15 positions is adjusted each year based on changes to salaries and benefits.

The cost to fund the 15 firefighters has grown from \$288,000 in 1980 to \$1.3 million in 2012. County policymakers have expressed concern about the size of that payment given that the County's occupancy at the County Grounds has steadily diminished. In 2012, the County attempted to pass along the fire

⁹ According to the agreement, the County funded 85% of the station's construction costs of \$837,000, or approximately \$700,000.



protection cost to the MRMC and several other users of its water utility through water charges, but most have refused to pay that expense.

Roads, transportation and other infrastructure services

Another long-term agreement – known as the Cost Sharing Ordinance (CSO) – regulates the funding of transportation and maintenance services to MRMC members. The CSO originally was negotiated in the early 1970s and is included in the County’s Municipal Ordinances. The purpose of the CSO is to provide for cost sharing by MRMC members to support services like snow removal, landscaping, and maintenance of common areas. The CSO also encompasses “capital improvements for supportive facilities” which are identified as the following:

- Roadways, walkways, and sidewalks located outside of the premises of individual members, including pavement, curbs, gutters, bridges, street lighting, and traffic control devices.
- Storm sewers serving the MRMC campus

Electricity, Steam, and Chilled Water

Electricity, steam heat, and chilled water are provided to the County Grounds by a We Energies facility located on Watertown Plank Road. At the time of the sale of this facility to We Energies, the County retained ownership of monitoring equipment used by the water utility located inside the We Energies plant. In addition, We Energies did not want to purchase a second electrical distribution system on a 4160-volt line, so that has been retained by the County.

In 2013, the PSC approved construction of a new We Energies’ substation next to the existing substation and two additional transmission lines. The decision to upgrade the existing electric utility was based on growth projections for the area as well as a desire to ensure reliability of power for the MRMC.

Water, sanitary sewer, stormwater management

As mentioned above, the county water utility infrastructure is completely surrounded by city water mains and other facilities. The city water utility serves the Research Park and includes recently-constructed water mains along Watertown Plank Road to provide water service to new development at Innovation Campus.

The Wisconsin Department of Transportation’s reconstruction of the Zoo Interchange, initiated in 2012, presented an opportunity for both utilities to evaluate redundancies in the two water systems. Rather than expending tax dollars to relocate two sets of water mains, the City and County negotiated an agreement that transferred seven users in the northwest and southwest quadrants from the county to the city utility. This agreement was estimated to save \$1.7 million in immediate capital costs that would have been required for the Zoo Interchange project, plus an additional \$1.36 million in future capital



expenses.¹⁰ With the effectuation of this transfer, the county water utility continues to serve only those properties in the southeast quadrant, including all of MRMC. (See Section IV for a more detailed review of the Phase I agreement that transferred the seven services.)

Despite the transfer of some water service, the County owns and maintains the stormwater and sanitary sewer systems that serve each of the four quadrants. The City and County entered into an agreement in the early 2000s that exempts the County from the city's stormwater fee in exchange for providing land for two stormwater management projects, one at Timmerman Airfield and a second at the County Grounds.

Future Development at the County Grounds

As noted above, county operations at the County Grounds have gradually been replaced with other types of development, which is primarily related to health care services and related businesses. This trend is likely to continue in the future, as described below.

MRMC/Hospital-Related

Two new health care-related buildings currently are under construction at the County Grounds: a 480,000-square-foot addition to Froedtert Hospital specializing in heart and vascular disease; and an addition to the Ronald McDonald House which will roughly double its size to 40,000 square feet. Additional development possibilities could stem from a land use planning process that MRMC management intends to begin later this year. According to MRMC staff, the Affordable Care Act will have a significant financial impact on member hospitals, which may impact future development plans at the MRMC.

Another factor that may impact the MRMC's development plans over the longer term is the expiration of the initial 50-year period of the ground leases with Milwaukee County, which will occur around 2030. The leases generally state that after the initial 50 years, rent is subject to negotiation. If the parties cannot agree, then the rent is determined to be 10% of the fair market value of the land. A rough estimate of that rental rate, based on the sale price of the land sold to the UWM Real Estate Foundation in 2011, is \$762,000 per year.¹¹

Milwaukee County Research Park

Out of a total of 120.8 acres at the Milwaukee County Research Park, 20 remain available for sale. According to the park's development director, approximately 300,000 additional square feet of building space could be constructed there, creating space for businesses that could employ 900 to 1,200 people.

As noted above, the Technology Innovation Center (TIC) is a business incubator located in a 100-year-old county-owned building that was the former Muirdale Sanitarium. In 2012, the County's Department of

¹⁰ Milwaukee County Controller, memo dated June 3, 2013

¹¹ Land sale of Innovation Campus to UWM Real Estate Foundation was \$152,000/acre, estimate of 50 acres for MRMC.



Administrative Services contracted with the commercial real estate firm of CBRE to conduct a comprehensive review of several key properties, including the TIC. The CBRE report noted several issues with the center's overall condition, including the need to replace windows and the lack of central air conditioning. The report also recommended selling the building and suggested that there are other business incubators in the area which could better support new businesses. The County has not yet formally considered CBRE's recommendations in regard to the TIC.

Innovation Campus

Based on initial plans for Innovation Campus, as described in the feasibility analysis for the TID district established by Wauwatosa, total development includes 875,000 square feet of commercial and academic space along with 190 housing units. Two buildings currently are under construction at the site: the ABB building and the Institute for Industrial Innovation. In addition, construction of a new 120-room extended stay hotel will begin in 2014. As noted above, the City also has approved a housing development centered on the Eschweiler Buildings. This development of 192 units should account for all of the planned housing at the site.

County Occupancy

The 2012 CBRE analysis not only assessed the physical condition of major county buildings and the County's management of those assets, but also provided options for a more efficient use of space, both in terms of occupancy and highest and best use of particular buildings. The study included many county-owned properties located at the County Grounds, including the TIC, BHD facilities, and the Children's Court. CBRE recommended that Children's Court be consolidated in the Milwaukee County Courthouse if sufficient space can be made available, and suggested that the County sell the Children's Court building.

In terms of the BHD facilities at the County Grounds, CBRE evaluated the Day Hospital, the Food Service Building, the Mental Health Complex, and the Children's and Adolescent Treatment Center (now leased to other entities for office uses). The report cites a number of deficiencies in these buildings. The Mental Health Complex appears to be in the best condition, but its layout does not conform to current standards of practice and existing capacity needs. The CBRE recommended that the County build a smaller hospital at the site and consolidate other BHD uses so that the land can be sold (or leased) for commercial development.

The CBRE report coincided with initiatives by county policymakers to downsize inpatient mental health services and shift more care into community-based settings. BHD is proceeding with plans to close the two long-term care facilities at the site, and the County's census of adult inpatient beds already has been cut from 96 to 56 over the past three years. Ultimately, the County could end up with no more than one or two 24-bed units at the County Grounds, which likely would prompt it to consider selling some or all of the approximately 25 acres on which the Mental Health Complex is located.



DESCRIPTION OF MILWAUKEE COUNTY WATER UTILITY

In this section, we provide details on the characteristics and finances of the Milwaukee County Water Utility. Included are details about its customer base, the condition of the utility’s capital assets, and fiscal information and trends. This information provides insight into some of the positive and negative budgetary impacts that Milwaukee County policymakers would need to consider if they were interested in transferring ownership of the utility, as well as some of the considerations that would come into play for Wauwatosa policymakers regarding the condition and value of water utility assets.

Table 4 presents basic descriptive data on the county water utility. In contrast to typical residential utilities, the county water utility is physically compact, with fewer linear feet of water mains and fewer meters. While the county utility has a smaller number of customers than a typical residential water utility, almost all of its customers are large water consumers. The county utility also is unique in that it serves trauma centers, laboratories, and other medical uses that cannot easily be off-lined for maintenance. Similarly, the consequences of any sort of water contamination are heightened at the hospitals and other medical facilities.

Comparable data for the city water utility also are shown in **Table 4**. Generally speaking, the county utility is about one-fourth the size of the city utility, both in terms of average water demand per day and total gallons of water sold.

Table 4: General Description of City and County Water Utilities, 2012

	County	City
Linear Feet of Water Distribution System	71,000	1,056,606
Overhead Storage Capacity	2,500,000	4,500,000
Fire Hydrants	145	2,122
Total Meters	96	15,943
Average Day Water Demand (1,000,000 gallons/day)	1.09	4.28
Total Gallons Water Sold (in 1000s)	399,270	1,564,276

Sources: County Comptroller’s Office, 2012 Breakeven analysis, DAS – Facilities Maintenance, City of Wauwatosa Water Utility Annual Report, 2012.

Customer Base

Table 5 breaks down water usage by the customers of the county water utility, based on averages from 2010 through 2012. An estimate for 2014 consumption incorporates the impact of the transfer of seven users to the city utility in 2013 in connection with the Zoo Interchange construction, as well as the increased consumption resulting from the new construction ongoing at the County Grounds. The table also shows the usage of approximately 156 residences in the City of Wauwatosa that are serviced by the county utility from the North Avenue main.



Annual water consumption by the county water utility can vary by as much as 10%, depending on summer temperatures. In hotter and drier summers, such as 2010 and 2012, consumption was about 55.5 million cubic feet (cu ft). During the cooler summer of 2011, consumption dropped to 50.1 million cu ft.

Table 5: Milwaukee County Water Utility water usage, by user

	2010-2012 Average	Phase I transfers/New construction	2014 Estimated Usage
BHD	1,686,324		1,686,324
Children's Court	360,767	(360,767)	0
Hoyt Park Child/Adolescent Treatment	213,017		213,017
Other County Users	359,817		359,817
Total County	553,266	(447,673)	105,593
	3,173,191	(808,439)	2,364,751
Medical College	10,954,132		10,954,132
Froedtert Hospital	10,303,845		10,303,845
Children's Hospital	3,997,847		3,997,847
Other	779,366		779,366
Cardiac building (1)		1,800,000	1,800,000
Total MRMC	26,035,190		27,835,190
We Energies	20,095,693		20,095,693
Wauwatosa residential	2,181,400		2,181,400
Other	2,446,669	(367,447)	1,762,555
Total	53,932,144	624,113	54,556,257

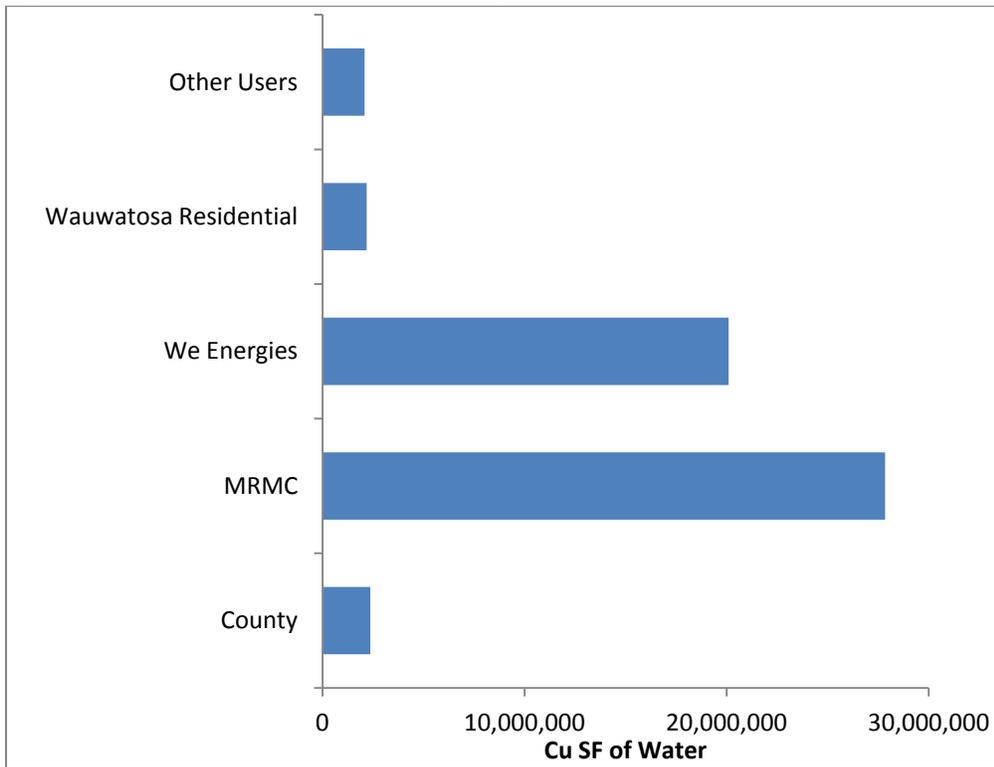
Estimated water usage for the cardiac building, now under construction, is based on average usage/SF for the Froedtert Hospital of 4.55 cu ft/SF.

Source: County breakeven analysis, 2010 through 2012.

As shown in both the above table and **Figure 2** below, the utility's largest water consumers are the MRMC (and in particular, the Medical College and Froedtert Hospital), and the We Energies power plant. County facilities now account for only 4% of total water demand, approximately the same as the residential demand from the City of Wauwatosa.



Figure 2: 2014 Estimated Water Consumption



Condition of Capital Assets

In 2005, the county water utility experienced two significant water main breaks. In response, the County hired the engineering firm of Graef, Anhalt, Schloemer & Associates (now known as GRAEF) to review the physical condition of the water system, including a valve and hydrant survey and a water demand analysis. GRAEF identified a number of areas of deferred maintenance and also developed a capital improvement program aimed at upgrading the utility's physical plant.

Since receiving the GRAEF report, the County has devoted considerable attention and investment to the water utility. That investment has been reflected in substantial funding for capital projects, increased annual appropriations for major maintenance in the operating budget,¹² and the establishment of an independent organizational unit within the county budget for the water utility budget.

Overall, the County has invested \$4.5 million in capital projects relating to the three water towers since 2005, with an additional \$1.2 million for improvements to the south reservoir appropriated in the 2014 capital improvements budget.¹³ Actual expenditures for major maintenance projects in the operating

¹² Major maintenance projects that are funded in the county's operating budget have an estimated cost of less than \$50,000 or are projects that are completed under a time and materials contract.

¹³ This project was included in the 2014 Capital Budget but has not been incorporated into a subsequent bond issue pending the outcome of this study.



budget totaled \$1.1 million between 2010 and 2012, with an additional \$450,000 budgeted for 2013 and 2014.

The following describes specific investments in the county water utility in the context of the recommendations of the GRAEF report.

- **Water towers.** The water utility has three overhead water storage towers (one of which is leased to the City of Wauwatosa), with a total capacity of 2.5 million gallons, or a two-and-a-half day supply on average. The west water tower was constructed in 1954 and the east tower in 1979. Both towers have been rehabilitated in the past five years at a total cost of \$1.67 million. At the time of the GRAEF report, only the east and west water towers were in existence, and Graef recommended that a third water tower be added. That tower was completed in 2012 at a cost of \$2.9 million.
- **Reservoirs.** In addition to the water towers, the utility stores water at two at-ground reservoirs, with a total capacity of 1.7 million gallons. Funding to renovate the south reservoir in the amount of \$1.2 million was included in the 2013 capital budget. The start of that project has been delayed, however, pending the outcome of discussions between the City and the County on disposition of the water utility.
- **Booster Station.** Two pumps have been replaced and variable frequency drives have been added at a cost of \$156,000.
- **Water supply issues.** The GRAEF report recommended suction improvements from the North Avenue supply, but Milwaukee Water Works (MWW) subsequently increased the pressure at this distribution point. Instead, there is now a need to install a valve to reduce water pressure from this point. The GRAEF report also suggested that a cross-connection between the city and county water systems be installed. This cross-connection was completed as part of construction related to the Zoo Interchange project in 2013.
- **Valves and hydrants.** The County has mapped all valves and hydrants and has been on a steady path of identifying faulty valves and making repairs.
- **Water mains.** While there have not been any water main replacements in recent years, the number of water main breaks in the southeastern quadrant has been limited to one per year for the past three years. Other main breaks have occurred, but they have been primarily in the area west of Highway 45, which has been transferred to the city utility (and will be served primarily by new city mains). The primary water supply to the County Grounds system is from Wisconsin Avenue. A secondary or backup supply line runs from the northeast corner of the County Grounds to a meter vault at North Avenue and 60th Street. This distribution line, commonly referred to as the North Avenue main, is about three miles long, is deeply buried, and is around 100 years old.



- **Stormwater/Sanitary Sewer Facilities.** According to county officials, sanitary sewer facilities are in good repair. The County has not experienced any breakages, problems or citations in sanitary sewer lines. While the stormwater collection system is the largest of the three systems in terms of size, it appears to receive the least attention. While a water or sewer failure can be both expensive and catastrophic, a failure of the stormwater system generally results in lesser (although still troublesome) outcomes such as a sinkhole or damage to a road. Some basic investigation of the stormwater system's condition would include inventorying all the manholes and surveying the lines for overall condition. It is quite likely that additional investment in the stormwater system will be required in future years.

Regulatory issues

While the County water utility is not regulated by the Wisconsin Public Service Commission (PSC), the Wisconsin Department of Natural Resources (DNR) oversees the safety of all potable water systems in the state. DNR's main interest is to ensure the safety and quality of drinking water, and it sets testing and reporting standards that must be met by the county utility and others under its purview.

Since 1991, the county water utility has had two violations relating to coliform – in 2006 and in 2010. According to the EPA, coliforms are mostly harmless bacteria that live in soil and water as well as in the intestines of animals. If total coliforms are found, then the water system must conduct further analysis to determine if specific types, e.g. e coli, are present. In 2006, after further testing, the finding of coliform was determined to be serious, and led to the GRAEF report and renewed county investment in the water system. The 2010 finding was not verified in subsequent sampling. Boil water notices were issued in both cases.

In 2008, the DNR issued a public violation notice for lead or copper in the water. The county cleared the violation by providing subsequent samples with no traces of those metals. The County water mains are all made of either cast iron or iron ductile pipe. Water distribution systems internal to buildings may contain lead or copper pipe.

Staffing

Administratively, the water utility is a unit of the County's Division of Facilities Maintenance, which is one of several divisions of the Department of Administrative Services (DAS). Facilities Maintenance consists of 137 full-time-equivalent employees (FTEs)¹⁴ who are responsible for maintenance and repairs on 3.9 million square feet of county-owned buildings. There are no staff assigned exclusively to the water utility. Instead, plumbers, electricians, and other maintenance workers track the time they spend on water utility projects and charge that time to the utility's budget.

¹⁴ 2014 Adopted Operating Budget



In the past five years, although there has not been a substantive reduction in the number of buildings or square footage of space maintained by the County, facilities management staff has declined by about 9%. The decline has been even more pronounced in the past 10 years, as staffing levels have decreased by 40% from the 2003 FTE level of 230. Currently, four plumbers and two plumbing supervisors serve all county facilities.

This decline in the Facilities Maintenance division’s overall staffing undoubtedly impacts the water utility. Much of the water utility’s workload is ongoing, such as meter reading, which is done manually every quarter; valve exercising and hydrant flushing, which are done annually; and testing and sampling of water for bacteriological load, disinfection byproducts, and lead and copper, which must be done on monthly and quarterly schedules. In 2014, an additional testing requirement for systems serving more than 15,000 users will require testing for 21 unregulated contaminants. This additional testing will significantly increase laboratory expenses. Although the County has prioritized the needs of the water utility over other facilities in light of the 2006 coliform issue and GRAEF report, discussions with county managers indicate that current staffing is insufficient to adequately address ongoing maintenance needs.

The Facilities Maintenance labor dedicated to the water utility is supplemented by work contracted to private firms. The water utility regularly budgets an additional \$450,000 per year for time and materials contracts. These contractors handle larger maintenance projects, which are mostly emergency repairs and other projects that exceed the capacity of internal staff.

Table 6 shows the number of FTEs billed to the water, sewer, and stormwater utilities collectively from 2010 through 2012, and the number billed to water projects only. Budgeted FTEs for 2013 also are shown. The FTE calculation is based on actual hours billed to projects for the water utility.¹⁵ In a year in which a large number of major maintenance projects are being addressed at the water utility, such as 2012, more plumbers, electricians, and other building trades personnel bill time to the utility. New construction at the County Grounds also affects the utility’s staffing needs, as utility staff are responsible for identifying the location of water lines whenever construction crews are digging.

Table 6: Water utility staffing levels, 2010 to 2013

	2010	2011	2012	2013 Budget
Total FTE - Sewer, Water, Stormwater	5.81	5.68	5.66	5.33
FTE - Water Only	4.47	4.01	4.97	4.68

Note: 2013 FTE is based on budgeted crosscharge divided by average labor rates.

¹⁵ The FTE number is derived by dividing the average labor rate into the actual Facilities Maintenance crosscharge for each year, as indicated in the breakeven analysis.



Finances

Within the Milwaukee County budget, the water utility (including water, sewer, and stormwater) functions like an enterprise fund, which means that it is not supported by property tax levy and its expenses are fully charged out to other departments or users. The water utility's budget was contained within the Division of Facilities Maintenance's budget until it was given its own budget unit in 2009. In 2013, administrative authority over both the facilities maintenance division and the water utility budgets was transferred from the Department of Transportation and Public Works to DAS.

Table 7, which breaks down total expenses of the entire water utility by broad program category, shows that operating costs nearly doubled from 2010 to 2012, from \$2.2 million to \$4.2 million. The budgeted cost for 2014 show a continued increase, though it is important to note the distinction between actual costs and budgeted costs. At the end of the year, the county's Comptroller's Office reviews the utility's actual operating costs, recalculates rates based on those costs, and makes adjustments to user charges (this process is called the "breakeven"). Actual amounts can differ substantially from the budget (in fact, between 2009 and 2012, actual costs exceeded budgeted costs by an average of 11%), but they are shown side by side in the table to give a sense of the overall trend in water utility expenses.

Table 7: Water utility operating costs, 2010–2014

	2010	2012	2014 Budget	Change 2010-14	% Change
Other agency charges	856,689	1,057,375	1,103,016	246,327	29%
Fire Charge	0	1,294,228	1,333,532	1,333,532	NA
Minor and Major Mtc	221,197	733,638	497,943	276,746	125%
Misc Svcs/Commodities	33,281	40,483	130,761	97,480	293%
Depreciation/Interest	268,990	240,491	494,322	225,332	84%
County Charges	824,981	854,326	908,590	83,609	10%
Direct Revenue	(48,237)	(55,990)	(56,000)	(7,763)	16%
Total	2,156,900	4,164,551	4,412,164	2,255,264	105%

In order to make budgeted numbers comparable to breakeven amounts, Contribution to Reserve was removed and an estimate for revenue from Wauwatosa residents was added.

More than one half of the increase in overall utility costs shown above is attributed to the county's attempt to bill water utility customers for Wauwatosa fire service charges. Prior to 2012, the Wauwatosa fire service charge was paid by the County's General Fund. In the 2012 budget, it was instead included in the water utility budget in an attempt to pass along this cost to customers.¹⁶

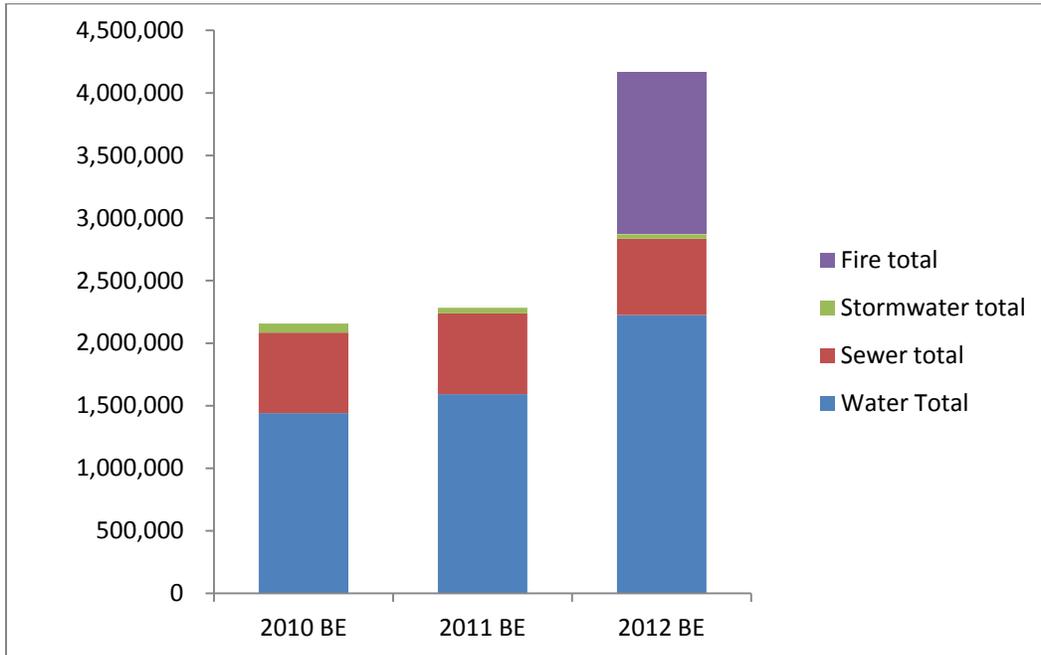
Figure 2 illustrates the sizable impact of the fire charge on overall costs by showing the four major functional areas of the water utility's operating budget for 2010 through 2012 (the last three years in which actual expenditures are available). This breakdown also shows that while the fire service charge

¹⁶ It should be noted that this attempt has been largely unsuccessful, as most customers have refused to pay the fire service portion of their bill and only \$157,000 of the \$1.3 million billed had been received by the County as of March 2013.



accounts for the largest portion of the increase, water charges also have increased substantially, and overall expenses still would have increased by about \$783,000 (or 54%) had the fire service billing change not occurred. Per **Figure 3**, the county utility’s approximate annual cost of providing water service at the County Grounds (not including sewer, stormwater, and fire service charges) is \$2.3 million in 2012.

Figure 3: Total Cost Basis, Water Utility



The following provides details on specific expenditure categories within the water utility’s operating budget that have experienced significant increases since 2010.

- Other agency charges:** These charges include the cost of purchasing water from Milwaukee Water Works (MWW), Milwaukee Metropolitan Sewerage District (MMSD) sewer charges, and charges from the City of Wauwatosa for stormwater management. In total, these charges have increased by \$246,327 between 2010 and the 2014 budget, including an increase of \$136,000 (31%) from MWW. In addition, in 2011, MWW added a charge relating to the additional water volume required for fire protection. This charge is expected to total \$43,656 in 2014.
- Interest expense:** In the 2014 budget, the amount of interest allocated to the water utility is \$188,713, an increase of \$119,797 from the 2013 budget. This tripling of the interest expense reflects the addition of interest related to the central water tower, which was completed in 2012.
- Major maintenance:** As described above, this line item pays for contracted labor for maintenance and emergency work which exceed the capacity of county staff. The County regularly budgets \$450,000 for major maintenance for the water utility, though actual expenses vary depending on a



variety of factors, such as the need for emergency repairs and the number projects that can be scheduled. Since 2010, major maintenance expenses have ranged from \$208,393 to \$677,438. Because of this wide variance, trend analysis does not have much significance. In general, increased major maintenance expenses reflected in **Table 7** can be attributed to the increased attention to improving the physical assets of the water utility resulting from the GRAEF analysis.

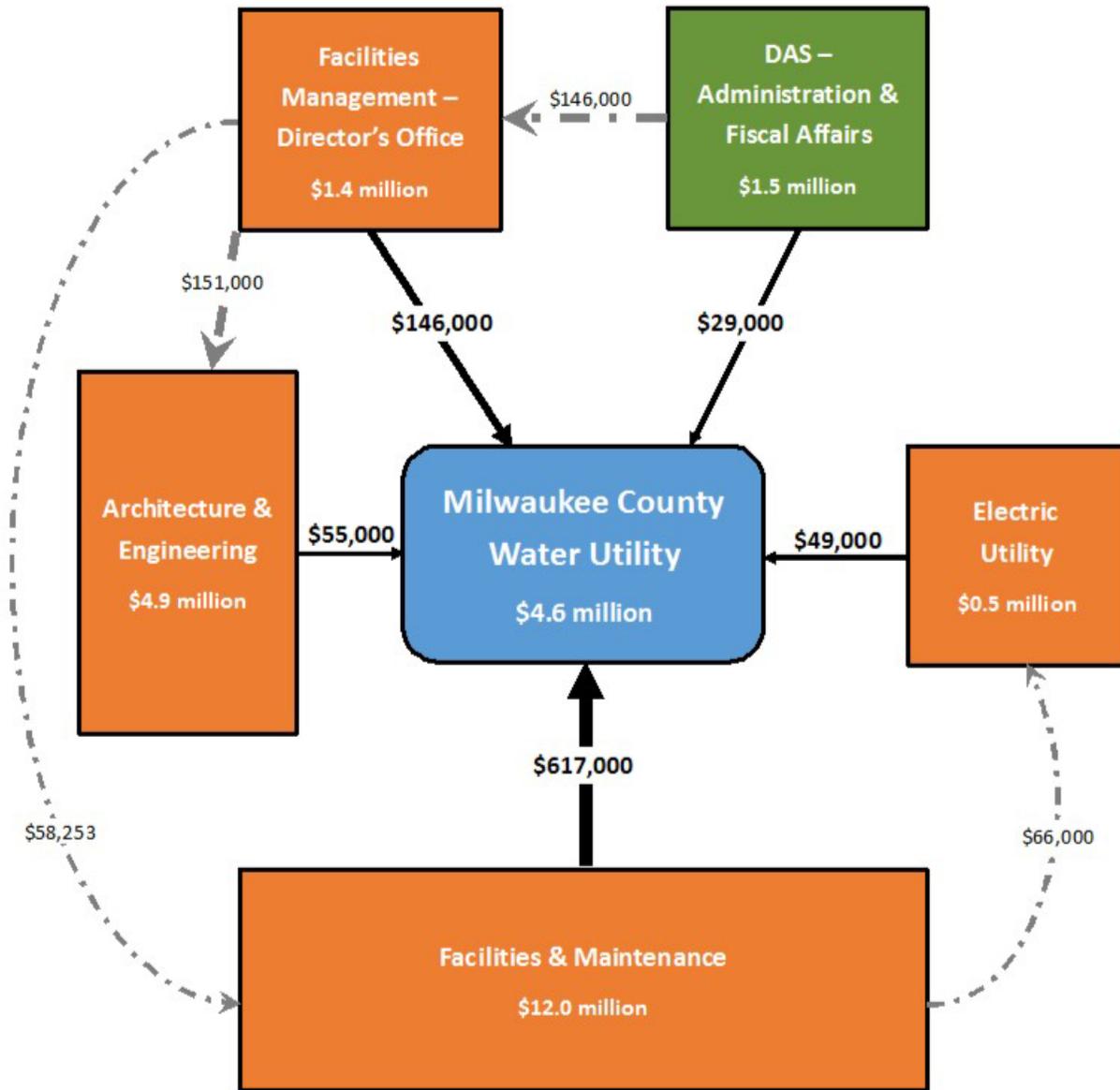
- **County service charges:** County service charges often are referred to as “crosscharges.” These largely reflect charges that are billed to one county department for work done on its behalf by another county department, such as legal services provided by the Corporation Counsel’s office or financial services provided by the Fiscal Affairs Division.¹⁷ In the case of the water utility, the most prominent crosscharge is for services provided by Facilities Maintenance staff, which are crosscharged to the utility (see Staffing section, above). The reverse of the crosscharge – which appears in the charging department’s budget as a negative expenditure – is called an abatement. Crosscharges make up about 21% of the water utility budget and have increased by \$84,000 between 2010 and the 2014 budget.

Figure 4 visually maps the various crosscharges to the water utility and their impacts on its 2014 budget. As we will explain in later sections, understanding the various crosscharges that impact the water utility is essential for assessing the financial impacts to the County should a transfer of ownership be contemplated. **Figure 4** also shows various crosscharges between other DAS divisions to illustrate the complex way in which crosscharges are woven through the county budget. An increase in the Facilities Management-Director’s Office expenditure budget, for example, not only will increase its direct crosscharge to the water utility, but also will affect other divisions and the crosscharges that they bill to the water utility.

¹⁷ Crosscharges allow the County to include administrative and support department costs in the total expenses of other departments. This enables the County to maximize non-local sources of revenue, such as grants, state and federal funding, and airport lease revenues.



Figure 4: Map of 2014 Crosscharges to the Water Utility



As noted above, the largest crosscharge to the water utility, making up about two thirds of the total, derives from DAS–Facilities Maintenance. This is because the expense for county personnel assigned to the water utility is budgeted in Facilities Maintenance and crosscharged to the water utility. Additional details on the Facilities Maintenance and other crosscharges are provided below.

- DAS–Facilities Maintenance** has a budgeted crosscharge to the water utility of \$617,426 in 2014. DAS–FM provides all of the direct labor to the water utility, as well as supervision and management. During budget development, Facilities Management calculates a per-hour rate for each of the trades (electricians, plumbers, steamfitters, etc.). This rate reflects each position’s average salary and benefit costs. The rate also incorporates costs associated with

each active position that are related to retirees (“legacy costs”), which total about \$21,000 per current employee in the 2014 budget. The crosscharge in the 2014 budget is an estimate, as the actual Facilities Maintenance crosscharge to the water utility, which is incorporated into the breakeven analysis at the end of the budget year, will be based on the number of hours billed by the skilled tradespeople during the year. Direct labor costs have been relatively steady over the five-year period.

Approximately 10% of the rates charged by the trades covers a portion of the personnel expense of three Facilities Maintenance managers: 40% of the Mechanical Manager, 10% of the Assistant Division Head, and 10% of the Division Head.

- **DAS–Facility Management Director’s Office** has a budgeted crosscharge to the water utility of \$146,751. The office of DAS–FM Dir was established in the 2013 budget, and includes 10 FTEs of management and support staff. This office provides budget, management, and support functions to the other divisions of DAS–Facilities Management, namely Facilities Maintenance, Architecture and Engineering (A&E), Environmental Services, and the water utility.
- **DAS–A&E** has a budgeted crosscharge to the water utility of \$55,132. Based on a Wisconsin Department of Justice stipulation, A&E was given responsibility for maintenance and operation of the sanitary sewer and stormwater systems countywide. A&E manages these operations and its workload includes annual reports to MMSD and DNR, as well as oversight of maintenance projects. The crosscharge represents staff time charged to sewer and stormwater issues.
- **Electric Utility** has a budgeted crosscharge to the water utility of \$48,971. In the mid 1990s, the County sold its electric utility to We Energies, but We Energies did not want to take one portion of the system, referred to as the 4160-volt distribution system. The 4160V system transfers power purchased from We Energies through three electrical distribution lines. The system serves the county-owned Mental Health Complex buildings (including the former Children and Adolescent Treatment Center, which is now leased to other entities) and its Parks Administration building. In addition, it powers the We Energies steam tunnel, the central water tower, and one privately-owned building. The majority of the electric utility’s total expense, \$407,211, represents charges from We Energies for electricity.

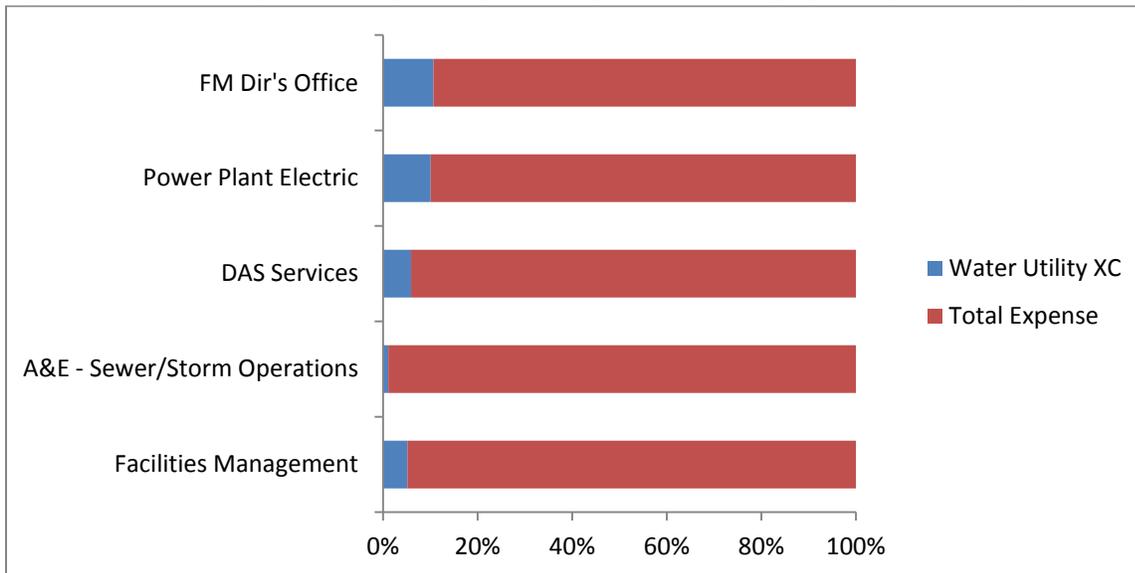
The county reviewed the cost allocation of electric utility charges as part of the 2013 breakeven process. Service to the water utility from the 4160V system has declined, primarily because new pumps in the booster station are now served directly by We Energies. The actual 2013 crosscharge is estimated at about \$7,000 (compared to a budgeted amount of \$48,971). A similar adjustment to the electric utility crosscharge should be made in the 2014 breakeven process and this lower crosscharge should be reflected in the 2015 budget.



- **DAS – Administrative and Fiscal Services** has a budgeted crosscharge to the water utility of \$28,676. This crosscharge was initiated in 2013 and was associated with a portion of the cost of three DAS employees: two managers and one support staff. This crosscharge decreased by \$14,500 in the 2014 budget. According to DAS staff, the crosscharge is based on the same number of FTEs, but the percentage charged to the water utility declined.
- **Central service allocation** to the water utility in 2014 is budgeted at \$11,634. This allocation spreads the cost of several administrative departments among other budget units. The central service allocation to the water utility has increased by 66% since 2010, but it is still a relatively small amount.

Figure 5 shows the water utility crosscharge for each charging entity as a percentage of that entity’s total expenditure budget in 2014.¹⁸ While the Facilities Maintenance crosscharge comprises a sizable share of the water utility’s budget at more than \$617,000, the crosscharge represents a relatively small proportion of the Facilities Maintenance division’s budget. The water utility charge is more important to the FM–Director’s Office, which would experience about a 10% reduction in “revenue”¹⁹ if the water utility were transferred outside of county government.

Figure 5: Water utility crosscharge as a percentage of each charging entity’s 2014 expenditure budget



¹⁸ The central service allocation is not considered here because it is so small as to be irrelevant.

¹⁹ Technically, the Director’s Office would experience a reduction in abatements.



Water Utility Rates

The water rates charged by the county water utility to its users are calculated by dividing its costs by water usage expressed in 1,000 cubic feet. The cost per 1,000 cu ft is then applied to each customer's actual water usage. Stormwater, sanitary sewer, and the fire protection fee also are charged based on water usage (with the exception of the We Energies facility sanitary sewer charge). At the end of the year, the Comptroller's Office conducts a "breakeven" process which, as noted above, involves a review of actual operating costs, a recalculation of budgeted rates based on actual costs, and a resulting adjustment to charges. The breakeven allows the County to issue a rebate to customers if charges during the year were too high, or to collect an additional amount if charges did not cover the actual costs for that year.

Table 8 shows the rates charged by the County for water, sanitary sewer, stormwater, and fire protection services based on the breakeven analyses for 2010 through 2012. An estimate of the 2014 rates, based on the adopted budget, also is shown.

Table 8: Water rates per 1,000 cu ft of water, 2010–2012 and 2014 budget

	2010	2011	2012	2014 Budget
Water	28.31	34.49	43.80	43.73
Sewer	19.28	19.92	17.17	17.54
Storm	1.41	0.95	0.69	0.69
Fire			24.27	24.44
Total	49.00	55.36	85.93	86.40

Note: 2014 rates are estimated based on 2014 budgeted expense amounts divided by estimate of 2014 consumption.

Not surprisingly, water rates have grown in a manner consistent with the increase in overall costs described earlier in this section. This is because while costs have increased, usage has not changed substantially.

Future Staffing Needs

County managers have indicated that if the water utility stays under county ownership, additional staff time is likely to be allocated to the utility in future years. In its 2014 budget proposal, DAS-FM requested seven additional FTEs to meet the ongoing workload of the water utility. In addition to providing more capacity to better manage existing tasks and responsibilities, the request reflected the need to address areas of the system that have received little attention in recent years, such as maintenance of the 400 stormwater catch basins.



The position request was made before the transfer of services west of Highway 45 and north of Watertown Plank Road to the city utility. The Division’s original request has since been revised to reflect that change. **Table 9** summarizes the original request and the revised request.

Table 9: Enhanced staffing requests for water utility

	Original 2014 Request	Revised Request
Clerical Assistant	1	1
Facilities Worker 4	2	1
Electrical Mechanic	1	1
Plumber	2	1
Engineer	1	0.5
Total	7	4.5

While the increased staffing was not included in the 2014 budget pending the outcome of this study, some or all of these positions can be expected to be added to the DAS–FM budget should the county retain its ownership of the water utility. Based on 2014 personnel costs, the 4.5 positions would cost \$454,000. This amount would increase the cost basis of the water utility by about 20%.²⁰ As with all expenses of the water utility, the cost of any additional positions would be charged to the customers of the water utility. (An estimate of rates assuming higher staffing levels is included in the next section).

²⁰ 2012 cost basis for water portion is \$2.33 million



ANALYSIS OF PROPOSED TRANSFER OF COUNTY WATER UTILITY TO THE CITY

This section uses the detailed fiscal information presented in the previous section to analyze the fiscal impacts of a possible transfer of the county water utility to the City of Wauwatosa. In doing so, it considers impacts on the County, the City, and the utility's customer base. It also reviews previous discussions and negotiations between the City and County to provide context for possible renewed consideration.

Previous Discussions and Negotiations

Given the mutual interest of the City and the County in encouraging economic development on the County Grounds and the County's vastly reduced presence there, county and city officials have had several previous discussions about transferring county water service to the city utility. From 2001 through 2003, staff from the City and County met extensively to discuss the possible transfer of several municipal services on the Grounds to Wauwatosa. The County even went so far as to prepare a proposed memorandum of understanding (MOU) for a transfer of the water utility to the City. Although the MOU was not adopted, it does reflect the work and thought of many key players and provided a proposed framework for negotiation.

The draft MOU, dated January 2003, begins by recognizing that the City is better situated than the County to provide municipal services of all kinds at the County Grounds. These municipal services included the water utility, police protection, and public works (road maintenance and snow removal). It was clear, however, that in order for the City to agree to assume responsibility for municipal services, some kind of offsetting revenue would be required. The conclusion was that the City would need to enter into an agreement with the private MRMC members, similar to the Cost Sharing Ordinance, to pay for its increased service costs.

The 2003 draft MOU also proposed that in exchange for receiving county assets – including the firehouse and associated land, the water utility, roadways, lighting, and signage – the City would forgive the fire charge and would provide the County with municipal services at a reduced rate.

More recently, in 2012, the City and County jointly asked the Public Policy Forum to analyze the advantages and disadvantages of the County's continued ownership of the utility and a possible transfer to the City. Because of scheduling pressure related to the Zoo Interchange project – which would have required near-term movement and reconstruction of county water mains – the consideration of water service to seven properties located west of Highway 45 and north of Watertown Plank Road was prioritized. Those properties included the TIC, Children's Court, the County's fleet maintenance building, athletic fields operated by Wisconsin Lutheran College, the Wil-O-Way Center, the County's parks administration building, and the community gardens.

The Forum produced a report in April 2013 that identified substantial reconstruction costs that would be incurred by the County to maintain services to those seven properties, and that identified a more cost-



effective approach that would involve transferring those customers to the city utility. The County and City were able to agree on terms to implement the transfer, which will include the ultimate transfer of ownership of the west water tower, which no longer is connected to the remainder of the county system.

The specific provisions for the water tower transfer are that the County will retain ownership of the land on which the tower is located, but lease the tower to the City for 10 years. The County will receive a rental payment that is the larger of \$25,000 or 40% of total net revenue related to the seven services. Meanwhile, the revenue generated through the leasing of cell phone antennae on the tower will be retained by the County to offset outstanding debt, though any incremental cell phone revenues will benefit the City. At the end of the 10-year term, ownership of the tower and underlying land shall be transferred to the City for one dollar.

Fiscal Impacts of a Possible Transfer

Milwaukee County

If the City were to take over the remainder of the water utility, a majority of the utility's costs would simply transfer to the City along with associated revenues, resulting in no net fiscal impact on the county budget. Several other issues would emerge, however, that could negatively impact the County's bottom line, including the treatment of certain crosscharges from other county departments, outstanding debt service, and revenue from cell phone antennae leases. In addition, it is possible that the County would be required to fund several capital repair projects before the City would take ownership of the utility, though a reserve maintained by the County possibly could be used to offset new capital costs. The following provides additional details on these issues.

Crosscharges

The previous section of this report noted that \$909,000 of the annual expense of the water utility relates to charges from other county departments (**Table 7**). The majority of these crosscharges support staff costs for plumbers, electricians, construction supervisors, and engineers. Administrative overhead also accounts for some portion of crosscharges in the water utility's budget.

To determine how crosscharges would be affected by removing the water utility from the county budget, it is first necessary to consider the extent to which the crosscharging department would be able to reduce service expenditures. If the loss of the water utility would not allow the crosscharging department to eliminate staff or otherwise reduce costs, then it would need to make up for the loss of revenue from the water utility by increasing its charges to other county departments. Hence, the cost would remain with the County, but its ability to recover that cost from external water utility customers would be eliminated, thus producing a negative fiscal impact. A second important question is then whether the increased cost must be borne exclusively by the County with property tax levy, or whether some might be offset by charges to external users of other county services.



To answer the first question, this analysis assumes that those departments that crosscharge the water utility would not be able to reduce their expenses. Given the shortage of Facilities Maintenance staff countywide, the maintenance and A&E staff who charge their time to the utility logically would be assigned to other projects. This would increase the capacity of both Facilities Maintenance and A&E to address a backlog of repair and maintenance needs throughout the County. So, while crosscharges to other departments would increase, those departments also would realize an important benefit as outstanding repair and maintenance needs are met.

Crosscharges to the water utility also incorporate personnel costs related to administrative staff – primarily in the DAS–FM Director’s Office, but also in DAS–Administration and related to the central service allocation. Because the water utility is a relatively small proportion of the overall budget of each of those divisions (see **Figure 5**), it is unlikely either would be able to eliminate positions to make up for the reduced abatements from the water utility. As a result, this analysis assumes that *all* of the crosscharges currently supported by the water utility would need to be reabsorbed into the county budget.

While the county, therefore, would experience a negative fiscal impact, the increase in property tax levy to address that impact would be less than the total cost. Because the county budget includes a mix of revenues – including some that are direct reimbursements from external customers that are derived directly from service expenditures – as certain costs increase, so do certain outside revenues. For the 2014 budget, the county budget office assumed that for every \$1.00 increase in certain general costs, the property tax levy needed to offset those costs would be \$0.83.²¹

There are two exceptions to this general rule as it pertains to the water utility:

- 1) A&E staff that currently support the sanitary sewer system would be reassigned to other projects, and many of those projects are funded from the capital budget, which has additional external reimbursement mechanisms. As a result, the levy impact of reabsorbing the A&E crosscharge is estimated to be 50%, not the 83% assumed for general operating expenses.
- 2) The electric utility crosscharges the water utility, but if the water utility were transferred to the City, then the electric utility would instead bill the City for the same amount, resulting in no levy impact.

Table 10 shows the crosscharges to the water utility by department or division and the estimated levy impact should ownership of the entire utility be transferred. Based on our assumptions, the County would experience a negative annual property tax levy impact of about \$695,000 from crosscharges should ownership of the water utility be transferred.

²¹ This percentage was determined during budget development based on the change in levy associated with changes in the cost of fringe benefits.



Table 10: Estimated tax levy impact from crosscharges if ownership of the water utility is transferred (water, sanitary sewer and stormwater)

	2014 Crosscharge	% Levy	Levy impact if ownership transferred	Notes
DAS – FM labor	617,426	83%	512,464	Direct labor applied to other projects
DAS – A&E labor	55,132	50%	27,566	Direct labor applied to other projects
DAS - Fiscal Services	28,676	83%	23,801	
Power Plant Electric	48,971	0%	0	
Central Service Alloc	11,634	83%	9,656	Reallocated to other departments
DAS – FM Dir’s Office	146,751	83%	121,803	Reallocated to other Fac Mtc divisions, which will in turn increase crosscharges countywide
Total	908,590		695,290	

Table 11 applies the same methodology but isolates the crosscharges that are specific to the water system. In other words, the crosscharges and levy estimate shown in **Table 11** would pertain if only the water utility were transferred to the City, while the sewer and stormwater systems remained under County ownership. The percentage of the crosscharges assumed for the water system for certain overhead departments (DAS Services, FM Director’s Office, and Central Services) is based on the distribution of the Facilities Maintenance crosscharge, of which 78% of the total crosscharge is charged to the water system.

Table 11: Estimated tax levy impact from crosscharges if ownership of water system only is transferred

	2014 Crosscharge	% Levy	Levy impact if ownership transferred	Notes
DAS - FM Labor	484,515	83%	402,148	Direct labor applied to other projects
DAS - A&E labor	0	50%	0	Direct labor applied to other projects
DAS Fiscal Services	22,503	83%	18,678	
Power Plant Electric	48,971	0%	0	
Central Service Alloc	9,130	83%	7,578	Reallocated to other departments
DAS - FM Dir's Office	115,161	83%	95,583	Reallocated to A&E and FM
Total	680,279		523,987	

Cell Tower Antenna Revenue

Cell phone antennae located on top of the east water tower are leased to mobile phone companies and generate \$61,000 in revenue annually, according to the County’s Division of Economic Development. This revenue is currently budgeted in DAS–Economic Development and would need to be replaced with property tax levy or offset by a reduction in expenditures.



Debt Service, Capital Needs, and Reserve

Based on data provided by the Milwaukee County Comptroller's Office, debt service charged to the water utility stems from bond funding of three capital projects: rehabilitation of the east and west water towers, and construction of the central water tower. **Table 12** shows about \$5.4 million of principal and interest payments associated with those projects at the end of 2013.

Table 12: 2013 outstanding debt service associated with Milwaukee County Water Utility

	Principal	Interest	Total Debt Service
Central Tower	\$2,784,087	\$1,012,786	\$3,796,873
East Tower	\$609,491	\$126,350	\$735,841
West Tower	\$712,587	\$153,862	\$866,449
Total	\$4,106,165	\$1,292,998	\$5,399,163

As of 2014, \$4.1 million in principal payments are outstanding on the three water towers. Because the west water tower already has been the subject of negotiation as part of the 2013 transfer of seven users, it likely would be excluded from future deliberations. The County would retain responsibility for the \$3.4 million of outstanding principal related to the remaining towers in the event of a transfer, which means that issue would emerge as an important consideration in the event that negotiations take place to transfer the utility to Wauwatosa.

It also is important to note that city and county staff have identified several improvements that likely would need to be completed before the City would take ownership of the utility. These include repositioning water mains that are located beneath buildings or in steam tunnels and the relocation of equipment located inside the We Energies plant. The cost and extent of these improvements are unknown at this point, as is the mechanism for funding them.

City staff also have expressed concern about the condition of the North Avenue main, one of two supply lines to the County Grounds. This line is about three miles long, is deeply buried, and is roughly 100 years old. The City estimates that the cost of an eventual North Avenue main replacement will be between \$4 million and \$6 million.

One option is for the County to fund all or some of these outstanding capital improvements and then incorporate the cost of the projects into the overall valuation of the utility. If these new capital projects are financed with county-issued debt prior to a transfer of ownership, then the debt service totals shown in **Table 12** would increase.

Finally, the County has built up a reserve of about \$745,000 that potentially could offset debt service or future capital costs. The reserve has been funded via a 5% surcharge added to water, sewer, and stormwater rates each year. Its purpose is to fund capital improvements that are needed on an emergency basis or that cannot be funded through the capital budget. The reserve pertains to all three areas of the water utility plus the 4160V electric utility. Only a portion of the reserve, although a large portion, would be available to fund new water projects or to retire debt relating to the water towers.



City of Wauwatosa

The Wauwatosa Water Utility also operates as an enterprise fund, which means that its budget is distinct from the general city budget and that its costs are fully charged to users. The water utility is not supported by property tax and, in fact, the water utility makes an annual payment in lieu of taxes (PILOT) to the City based on the value of its assets. The City's 2014 budget includes a PILOT from the water utility to the General Fund of \$848,000.

Based on a three-year average of water consumption at the County Grounds, the City estimates that it would impose annual water charges of \$1.2 million to the customers transferred from the county utility. This is approximately 58% of the comparable County water charges.

Table 13 details the City's projected costs to operate the County water utility. After paying initial expenses in the first year of ownership, the City anticipates that revenues will exceed expenses from the annexed area by around \$107,000. Based on an estimated county expense of \$2.07 million,²² the city utility's estimated operating expense is roughly 53% of the County's.

Table 13: Costs of Wauwatosa Water Utility

	City Est. Expense (2014)
Cost of water	430,952
Personnel	440,064
PILOT	67,000
Misc Services and materials	30,700
Billing and meter costs	13,202
Tower painting expense	111,111
Total Ongoing Expenses	1,093,028
Estimated Revenue	1,200,000
Estimated Net Income	106,972
One-time expenses	79,100

One reason for the City's lower cost is its more advantageous agreement with MWW for water purchases. Annual savings due to water purchases alone would be about \$70,000 if the City were to operate the water utility.

In terms of staffing levels, the City projects that it would need to increase its existing staff by 5.5 FTEs to handle the workload associated with the county utility (three system operators and two-and-a-half

²² In 2012, the County charged out \$2.3 million for water according to the 2012 breakeven analysis. The City's estimated charges are based on three-year averages of consumption and there are some discrepancies in billing to be resolved. The comparable County charge is \$2.07 million, based on the City's consumption basis and the County's rate of \$43.80 per cu ft.



maintenance positions to provide 24/7 coverage). The number of FTEs projected by the City is comparable to the direct operating staff currently employed by the County (see **Table 6**). The City’s overall personnel costs are lower, however, because of lower projected salary and benefit levels, as shown in **Table 14**.

Table 14: Comparison of Staffing and Personnel Expenses

	City (2014 Budget)	County (2013 Budget)
FTEs	5.5	4.7
Salary/FTE	55,041	67,394
Benefits/FTE	24,971	30,695
Legacy Expense/FTE ²³	0	23,235
Total Personnel Expense	440,064	553,969

The City’s ability to operate the utility at a much lower cost than the County also relates to economies of scale. For example, the County charges the water utility \$237,000 for administrative and managerial support (DAS–Fiscal Affairs and DAS–FM Director’s Office crosscharges and 10% of the DAS–FM crosscharge). The City projects that its existing overhead would be able to absorb the county utility without increasing overhead expenses. Similarly, the County relies on contractors to complete many repair and maintenance projects, whereas the City would be able to manage that workload with existing staff. Essentially, a medium-sized municipal water utility can be operated more cost-efficiently than a small, independent water system.

Impact on City Utility’s Rate of Return

Although the revenues gained by the city utility from assuming the county service area are projected to exceed its operating costs, per PSC regulations, the city utility cannot generate a “profit.” Consequently, any potential fiscal benefit to the city utility likely would be passed along to ratepayers as a decrease in water rates citywide at some point in the future, or a moderation of any proposed increase in future rates.

The PSC bases the utility’s rate structure on its rate of return, which compares net revenue (revenues minus expenses) to the value of its operating plant. Based on a valuation of assets of \$28.1 million and net operating income of \$592,708, the utility’s rate of return for 2014 was estimated at 2.11%.

²³ The City does not allocate legacy expenses to the water utility’s active employees, but instead accounts for those expenses in a central account. According to fiscal officials, if the City did allocate those costs to active employees, then the current annual allocation likely would be in the range of \$5,000-\$8,000 per employee. This does not alter the conclusion that personnel expenses for new city utility employees would be considerably lower than those for existing county utility staff.



For descriptive purposes only, **Table 15** shows a hypothetical financial scenario for the city utility if it assumed ownership of the county utility. We assume that the transfer of the county utility would increase the value of the city utility’s physical plant by \$3.6 million²⁴ to \$31.7 million. If we combine that assumption with the estimate of additional net operating income of \$106,972 (**Table 13**), then the rate of return (ROR) would grow from 2.11% to 2.21%. An increase to the ROR could prompt the PSC to mandate a decrease in rates, or alternatively it could moderate future rate increases.

Table 15: Hypothetical Example of City Utility Rate of Return

	Projected Income
Plant Value	31,689,942
Change in Operating Income	106,972
Total Operating Income	699,680
Rate of Return	2.21%

It is critical to note, however, that this scenario could change dramatically should the PSC’s actual valuation of the county utility, or the actual growth in operating income, be markedly different from the assumptions shown in the table. In fact, there may be scenarios under which the ROR for the city utility would *diminish* from the transfer of the county utility, which could lead the city utility to petition the PSC for a rate increase.

Another critical financial variable is how future capital improvement needs, such as the replacement of the North Avenue water main, would be funded. City officials have indicated that if the ownership transfer were to occur before improvements were made to the North Avenue water main (or without addressing other potential major infrastructure challenges), then they likely would recommend directing any increase in net income to a capital reserve, thus limiting the direct financial benefit to ratepayers. Ironically, if substantial repairs and improvements instead were addressed by the County *prior* to a transfer to the City, then the value of the utility would increase, thus reducing the ROR and also potentially limiting the positive impact for ratepayers.

Water Customers

In **Table 16**, we compare the water charges that would have been billed by the County for selected large users in 2012 (based on a three-year average of water use) to the estimated charges that would have been imposed by the city utility based on 2013 water rates. While the rate for the county utility is calculated by dividing total utility expenses by usage, the rate structure of regulated municipal utilities also includes a per meter charge which varies with size of the meter. Our analysis shows that if the city utility had provided water service to these customers, then their costs would have been 35% to 45% lower.

²⁴ This estimate of plant value is speculative. The PSC will require that the value of the water utility be established by determining the depreciated value of all fixed assets using its own definitions and historical cost data.



Table 16: Comparison of County and City Charges, Selected Large Users

	County	City	Hypothetical savings
BHD	89,612	62,037	(27,575)
We Energies	865,462	462,315	(403,147)
Froedtert Hospital	449,159	265,948	(183,211)
Children's Hospital	175,088	104,805	(70,283)

Source: 2012 breakeven County, City of Wauwatosa Water Utility

The largest savings would have been realized by We Energies, which is the provider of steam heat and chilled water to the MRMC and other facilities. It seems reasonable that the reduced expenses to We Energies may result in reduced rates for steam and chilled water, providing additional cost savings to water utility customers.

While **Table 16** provides an indication of the magnitude of savings that could be realized by users of the county water utility under a potential transfer to the City, actual savings would be predicated on the rates that would be in existence at the time that a transfer occurred. It is important to note that both the City and County anticipate that water rates will rise in the near future. For example, the City's five-year projection – based on anticipated increases in a variety of expenditure items – indicates that its rates will increase by 22% over the next three years.²⁵

The County has not developed a set of similar multi-year estimates, but we project that the potential staffing increases referenced earlier in this report would produce an increase in water rates of 17% (though that increase may be tempered somewhat by reductions in employee health care expenses that occurred in 2013 and 2014). Another important factor in projecting county rates is major maintenance expenses that might be required to service the utility in future years, but that expense is difficult to predict with any accuracy. In addition, both utilities would be impacted by an increase in the cost of water purchased from MWW that has been proposed to the PSC. The proposed rate revision would increase the City's water supply costs by approximately 35%, while MWW notified county staff that their water supply costs would increase by a more modest 10%.

To provide context for consideration of potential water customer savings that might occur if a transfer took place three years from now, **Table 17** shows two scenarios for 2017 water savings for the selected large users shown previously. Because it is uncertain whether the staffing increases proposed by county staff will be accepted by elected officials, or whether other cost reductions might offset the cost of additional staff, Scenario 1 assumes no change in county rates. For Scenario 2, we assume a 17% increase in the county rate, based on an increase in staffing costs of \$454,000 (see **Table 9**).

²⁵ The City projects a 3% rate increase in 2015, a 15% rate increase in 2016, and a 3% increase in 2017.



Table 17: Comparison of Estimated County and City Water Charges in 2017, Selected Large Users

	2013 Savings Estimate	Scenario 1: 2017 Savings Estimate Assuming City Increase of 22% and No Increase in County Rates	Scenario 2: 2017 Savings Estimate Assuming City Increase of 22% and County Increase of 17%
BHD	27,575	13,925	28,928
We Energies	403,147	301,421	446,321
Froedtert	183,211	124,693	199,893
Children's	70,283	47,223	76,537

This table shows that if county rates remain at 2013 levels for the next four years while city rates increase by 22%, then the benefit to customers from a utility transfer narrows, although there still is a financial gain. Conversely, if county rates increase by 17%, then annual savings to customers would grow. Again, it is important to emphasize that our projection of future county water rates is highly speculative. Perhaps more important from the standpoint of current county utility customers is the unpredictable nature of county water charges given that they are not subject to PSC review.

Summary of Fiscal Analysis

Projections by the city utility indicate that if it were to assume the county utility’s infrastructure and operations, then it would be able to serve the current county customers at a substantial discount. Reasons for the disparity include cheaper water supply, lower personnel costs, economies of scale, and the manner in which overhead costs are allocated by the two jurisdictions. It is unclear if this discount would continue into the future given that the City is projecting a substantial increase in water rates over the next three years. Based on the likely need for additional staffing for the county utility, however, it is likely that county water rates also will increase, which means that county customers likely would experience future savings with a switch to the city utility.

While a transfer of the water utility likely would benefit the County’s existing customers, it would have a negative budgetary impact on the County. Approximately \$910,000 in crosscharges would need to be absorbed into different areas of the county budget, which translates into an annual property tax levy impact of about \$695,000. If only the water portion of the utility is transferred, then the levy impact in terms of crosscharges is \$523,000. On the capital side, the County could be left with about \$2.8 million²⁶ in outstanding debt which also potentially would fall entirely on the property tax levy.

From the City of Wauwatosa’s standpoint, our initial analysis suggests that the city’s water utility would realize an increase in net operating income from annexing the county water utility. The effect of an annexation on city water *rates* is less predictable. Changes in the City’s rate of return and water rates will depend on several factors, including how the PSC ultimately values the utility and the cost of future capital improvement needs for the infrastructure the city utility would inherit.

²⁶ Outstanding principal relating to central and east water towers is \$3.4 million, reduced by 75% of reserve or \$559,000, for a total of \$2.8 million.



NON-FISCAL CONSIDERATIONS

Beyond the fiscal impacts described above, there are a variety of other issues that are relevant to the City's and County's decision regarding the ownership of the water utility. This section considers some of these issues from the perspective of the two governments and the MRMC private members.

City of Wauwatosa Fire Charge

The fire services agreement between the City and County encompasses fire protection services to the entire County Grounds, including county departments, private businesses, the non-profit hospitals, and other private members of MRMC . The fire charge is only connected to the water utility in that the County recently attempted to pass on the charge to other occupants of the County Grounds through the water charge. Should the utility transfer to the City, the County still would be liable for the full amount of the fire charge until 2040.

County leaders have expressed concerns about the equity of the fire charge for the past several years. In particular, the *amount* of the charge has been questioned given that the fire station on the County Grounds serves other areas of Wauwatosa, and the *need for* the charge has been challenged in light of the County's diminished presence and the increased tax revenues gained by the City from county policies on the County Grounds.

Given those concerns – and the fact that the County likely would experience negative property tax levy impacts if a water utility transfer were to take place – reconsideration of the terms of the fire service agreement may have a place in the context of water utility negotiations. In light of the savings in water costs that likely would accrue to the private nonprofit occupants, county and/or city policymakers might approach those occupants to consider taking part in the development of a new fire services agreement that would take into account the County's negative property tax levy impact. The County has indicated that renegotiation of the fire charge would be an essential element of any agreement regarding transfer of the water utility.

Stormwater and Sanitary Sewer Services

The water utility encompasses water, stormwater, and sanitary sewer services. If the City were to take ownership only of the water system, then the County would need to continue to maintain the other two systems. As the County shifts operations away from the County Grounds, operating remnants of infrastructure such as stormwater, sanitary sewer, and the 4160V electrical systems would become highly inefficient for the County, thus suggesting that the County should logically consider a transfer of ownership of those functions to other parties, as well.



Liability for Future Maintenance

The age and condition of the county water utility represent a potential liability to the City if it were to take ownership of the system. This liability has decreased since 2006, when the County commissioned the GRAEF report and began to invest in system improvements. In fact, according to the County's Mechanical Services Manager, most of the recent water main breaks have occurred in areas to the west and north, which are now served by newer city infrastructure. He estimates that there is one main failure a year in the southeastern quadrant of the system. City and county staff already have identified other mains that could be a concern, such as the North Avenue supply line, and county staff are now compiling a review of the age of facilities. If negotiations regarding a transfer of the utility take place, then the City may wish to engage a third-party engineering consultant to review the physical condition of the water utility.

Ownership of the laterals that connect water mains to customer buildings represents another potential liability concern. Currently, the County owns both water mains and service laterals. The city utility, however, has indicated that it only would take ownership of infrastructure to the edge of the right-of-way and would require customers to take ownership of laterals and other equipment not located in the right-of-way. It should be noted that while the County owns customer laterals and currently is responsible for any repair costs, all of those costs eventually are passed on to customers through utility rates.



CONCLUSION

One hundred years ago, when the County Grounds were occupied exclusively by large public institutions, there was a logical basis for a Milwaukee County-owned water utility. In 2014, that logic largely has disappeared. The County has vastly diminished its own operations on the site, and that trend is likely to continue in the near future. In terms of infrastructure, the county utility has become an island completely surrounded by city water mains. In addition, while the water utility does not pose a property tax levy cost to the County (and in fact subsidizes levy to some extent), it does not fit programmatically within the Department of Facilities Management or within the general mission of Milwaukee County government.

From the perspective of the City of Wauwatosa and its water utility, the direct fiscal impacts of annexing the remaining portion of the County Grounds water utility are unclear, as the increase in infrastructure value and net income would have to be weighed against increased liability for future infrastructure repairs. Also, while city ratepayers may benefit from a transfer in ownership given that the city utility likely would spend less to provide water service to the area than it would receive in new revenue, a final determination cannot be made without further consultation with the PSC. Potential positive elements for the city would include an increase in PILOT revenue and new cell tower revenue opportunities. Beyond fiscal considerations, taking ownership of the water utility is one avenue for the City to assume a greater role in economic development and long-range planning at the County Grounds.

The biggest winners under an ownership transfer could be We Energies and the MRMC private members, who potentially could save hundreds of thousands of dollars annually under the city's rate structure. Furthermore, as part of a city utility that is regulated by the PSC, they would have greater assurance that future rate increases would be limited. Finally, users likely would benefit from the fact that the city water utility has a sole focus on providing water service. That contrasts with the county utility, which is just a small component of a Facilities Management operation that has a daunting array of responsibilities and challenges.

Despite this list of possible public and private benefits, a transfer in ownership of the water utility also would encounter some sizable potential stumbling blocks. Those include potential negative budgetary impacts to the County and the inheritance of aging infrastructure by the City. With regard to the former, the loss of the water utility could produce an annual negative property tax levy impact of close to \$700,000, as well as an inability to charge users for several million dollars of outstanding debt service costs. Any negotiations regarding transfer of the utility must take into account those potential costs, as well as the County's loss of annual cell tower revenue. For the City's perspective, further analysis of the utility's physical condition and future infrastructure repair and replacement costs will be crucial to determining how it would approach any potential negotiations.

A broader issue for the County as it contemplates action on the water utility is the desirability of truly shedding obsolete operations without leaving "loose threads" behind. One example of this type of "loose thread" is the 4160-volt electric system that was not included in the sale of the former electric utility in the 1990s. If the County were to transfer the water utility, but retain electric, sewer, and



stormwater systems, then its ability to reduce maintenance responsibilities and expenses would be limited.

While several details must be further examined and complicated negotiations still must occur, it would be a mistake for the County to lose sight of the bigger picture on the County Grounds as it considers this report. On the contrary, the apparent logic of pursuing a water utility transfer should be seen as a potential first step toward a broader reconsideration of the County's continued presence on the Grounds.

The fire services agreement with Wauwatosa and the Cost Sharing Ordinance with private members have generated criticism from county leaders in recent years who charge they are unfair and anachronistic. Those leaders now have an opportunity to engage their counterparts from Wauwatosa and the MRMC not only with regard to those issues, but in the pursuit of an overall plan to re-organize County Grounds service provision and ownership in a manner that will meet the 21st century economic development needs and objectives of the respective governments, tenants, and taxpayers in general.



GLOSSARY OF TERMS

Breakeven – an accounting process that occurs at year end whereby a review of actual costs is made and adjustments to charges made during the year are taken into account. If actual expenses were lower than budgeted amounts (and charges), a refund is issued to customers. If actual expenses were higher, then customers owe the utility an additional amount.

Cost Sharing Ordinance – an agreement between the County and the MRMC members regarding payment for various municipal-type services like road maintenance, landscaping, and snow removal.

Crosscharge/Abatement – the way two departments of the County charge each other for services. A charging department, such as the electric utility, issues a crosscharge to DAS – FM for electricity usage. The crosscharge shows as an expense in the DAS – FM budget. The corresponding revenue in the electric utility budget is called an abatement.

Department of Administrative Services (DAS) – the county department that includes divisions of Facilities Maintenance, Budget, Procurement, Risk Management and other administrative functions.

Enterprise Fund – a budget unit or separate budget which is maintained apart from General Fund budgets and the expenses for which are fully funded with charges for services or other revenues. An Enterprise fund is self-supporting and has no fiscal impact on the General fund.

Levy – property tax and other locally-generated revenues, the County's primary source of discretionary funds.

Major Maintenance – a budget category in the operating budget of Milwaukee County departments that funds projects over \$50,000 in cost or funds time and materials contracts.

Milwaukee Regional Medical Center (MRMC) - a consortium of five hospitals and the County which jointly plans for the southeastern quadrant of the County Grounds and allocates upkeep costs for common areas.

Milwaukee Water Works (MWW) - the supplier of treated water from Lake Michigan to both the Milwaukee County water utility and the City of Wauwatosa water utility.

PILOT –payment in lieu of taxes, a payment made by the City utility to the City's General Fund based on an estimate of taxable value of utility assets and the city tax rate.

Public Service Commission (PSC) – an independent regulatory agency responsible for the regulation of Wisconsin public utilities including electric, natural gas, water, combined water, and sewer.

Rate of Return – an evaluation of a utility's profitability which compares net income (revenues minus expenses) to total investment in capital assets. The PSC uses Rate of Return as a basis for setting water rates.



Tax Increment Financing (TIF)/Tax Increment District (TID) – a method of financing infrastructure by dedicating the growth (or increment) in property tax dollars in a specified area towards infrastructure funding. A Tax Increment District is special district within which property tax increment accrues to a special district for funding infrastructure.

Zoo Interchange Reconstruction Project – a highway reconstruction project encompassing the state’s busiest interchange, which connects Interstate 94 and Highway 45 in Wauwatosa. Highway 45 bisects the County Grounds.

