COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE : April 9, 2019

TO : Scott Manske, Comptroller, Office of the Comptroller; Chairperson, Capital Improvements Committee

FROM : Vince Masterson, Capital Budget Coordinator; Office of Performance, Strategy and Budget, Department of Administrative Services

SUBJECT: Capital Improvements Committee (CIC) Scoring Criteria Review and Update – Temporary Workgroup Recommendations to the CIC

Pursuant to Milwaukee County Ordinance (Section 36.03(b) and (c)) the Capital Improvements Committee (CIC) is responsible for the establishment of capital project scoring criteria (criteria) and prioritization of the projects based upon that criteria. Thereafter, the CIC submits a (non-binding) prioritized capital projects report (typically each August) to the County Board and County Executive to assist with the development of the annual capital budget.

Discussions regarding the potential updating of the capital criteria was introduced by the Department of Administrative Services (DAS) Director at the August 21, 2018, CIC meeting (agenda item #7) and the August 30, 2018, CIC meeting (agenda item #5). These are outlined below (items #1 through #3) as potential criteria updates. In addition, items #4 and #5 are proposed as potential criteria updates as well.

1. Building Mission Category component to account for service, utilization, and long-term disposition (see attachment #1 for category definitions created by the DAS- Facilities Management)
2. Fleet (and Bus) replacement program(s) weight (review of current Return on Investment (ROI) criteria)
3. Technology weight to support security risks mitigation (possibly incorporate into existing Life/Safety criteria)
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4. Racial equity scoring component
5. Consolidated Facilities Planning scoring component (possibly addressed via item #1 above)

At its March 5, 2019, meeting, the CIC established a temporary workgroup (workgroup) to convene with the goal of reviewing and updating the existing criteria. Recommendations from the workgroup are to be presented to the full CIC for review and approval of any proposed changes to the scoring criteria.

The workgroup met on April 5, 2019, to review and update the aforementioned criteria. Based on input from the workgroup members, the following criteria updates are being recommended to the CIC for review and approval (engrossed scoring criteria in attachment #2):

1. **New Scoring Criteria for a <u>Building Mission Category (BMC) component</u> to account for service, utilization, and long-term disposition-**
   a. Staff from the Facilities Condition and Assessment section (FCA) of DAS have updated the BMCs and input the data into the County's VFA facility assessment system.
   b. FCA staff are continually working to enhance the BMC categories to make them as accurate as possible. In light of this, it is anticipated that FCA will present BMC updates for the CIC to consider for subsequent scoring modifications.
   c. Projects would be scored by County staff (from the County Facilities Plan (CFP) Steering Committee or CFP Steering Committee designee(s)) relative to the Criteria/Impact weights and alignment with CFP. CFP scoring would then be included into the overall CIC scoring matrix.
      i. Projects not recommended (or on HOLD) by CFP will have supporting information provided to CIC.

CRITERIA	IMPACT
7.) Building Mission Category	5 – Project relates to a building mission 1 category
	3 – Project relates to a building mission 2 category
	1 – Project relates to a building mission 3 category
	0 – Not Recommended (or HOLD) by CFP Project; **Relates** to a building mission 4 or 5 category

2. **New Scoring Criteria for a <u>Racial Equity component</u> to account for service, utilization, and long-term disposition**
   a. Impact weights based on the % of the racial minority populations served by each project; *OR*
      If data from the item above is not available, then impact weights reflecting the % of the racial minority populations within a neighborhood will be used.
   b. Inclusion of OAAA staff as part of the CIC (staff) sub-committee review of project requests.
   c. Although the proposed criteria provides a base, on-going guidance from the Office of African American Affairs (OAAA) is recommended (i.e. attendance at the annual CIC meetings to review the project scores).
   d. The Workgroup removed the language that "Projects would be scored by Office of African American Affairs (OAAA) based on the Criteria/Impact weights (noted above) and then included into the overall CIC scoring matrix."

6.) Racial Equity	5 – 76-100% TBD population served (PRIMARY) OR TBD population of Zip Code where the project is located (SECONDARY).
	4 – 51%-75% TBD population served (PRIMARY) OR TBD population of Zip Code where the project is located (SECONDARY).
	3 – 26%-50% TBD population served (PRIMARY) OR TBD population of Zip Code where the project is located (SECONDARY).
	2 – 15%-25% TBD population served (PRIMARY) OR TBD population of Zip Code where the project is located (SECONDARY).
	0 – 0%-14% TBD population served (PRIMARY) OR TBD population of Zip Code where the project is located (SECONDARY).

3. **Updated Fleet (and Bus) Replacement program(s) weight (review of current ROI criteria)**
   a. Fleet and Bus replacements (and requesting departments in general) could achieve higher scores in this area by providing additional information relating to the financial operating impacts related to each project. Therefore, no new criteria is recommended.
   b. The current Impact weights in this category can be streamlined by modifying the existing percent-based impact model to a less complex model. As a result, the following is recommended:

CRITERIA	IMPACT
*NET Annual Impact on Operating Costs	5 – Significant Documentation Provided (including major net operational savings) ~~Major impact (Reduces Div/Section Ops Costs by 25%)~~ ~~3 – Moderate impact (Reduces Div/Section Ops Costs by 10% - 24%)~~ 2 – Minor/General data provided ~~Minor impact (Reduces Div/Section Ops Costs by 1% - 9%)~~ 0 – No impact

4. **Technology weight to support security risks mitigation (possibly incorporate into existing Life/Safety criteria)**
   a. Based on discussions of this item (including input from the Director of DAS-IMSD), the workgroup concluded that a new 5-point criteria be added:

CRITERIA	IMPACT
1.) **Safety** – The project contributes to health, safety, ~~and~~ welfare, and/or cyber security risk.	**10 – Eliminates an existing hazard** *Addresses an existing life-safety Hazard that is posing an immediate threat to health and safety (within the 1st year).* **5 – Eliminates a potential hazard** *Remedies a Hazard that would pose a threat to health and safety in the future (i.e. the next 2 - 3 years), but does not demand immediate attention.* <u>OR</u> **5 – Mitigates cyber security risk** *Addresses a known risk posing a security threat to County data and/or technology assets (i.e. the next 0 - 2 years).* **0 – No Safety Impact**

The workgroup respectfully requests that the recommended criteria updates approved at its April 5, 2019, meeting be taken up for consideration at the next CIC meeting in order that such updates may be included as part of the 2020 capital budget development process.

Vince Masterson
Capital Budget Coordinator, Office of Performance, Strategy and Budget, Department of Administrative Services

Cc: Chris Abele, County Executive
Theodore Lipscomb, Sr., Chairperson, Milwaukee County Board of Supervisors
Kathleen Ehley, Mayor, City of Wauwatosa
John F. Weishan, Jr., Supervisor, Milwaukee County Board of Supervisors
James "Luigi" Schmitt, Supervisor, Milwaukee County Board of Supervisors
Willie Johnson, Jr., Supervisor, Milwaukee County Board of Supervisors
Donna Brown-Martin, Director, Department of Transportation
Joe Lamers, Director, Department of Administrative Services-Office of Performance, Strategy and Budget
Raisa Koltun, Chief of Staff, County Executive
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Nicole Brookshire, Director, Office on African American Affairs
Teig Whaley-Smith, Director, Department of Administrative Services
Stephen Cady, Research & Policy Director, Research Services Division, Office of the Comptroller
Janelle Jensen, Legislative Service Division Manager, County Clerk's Office