

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

Date: July 10, 2015

To: Members of the Milwaukee County Capital Improvements Committee

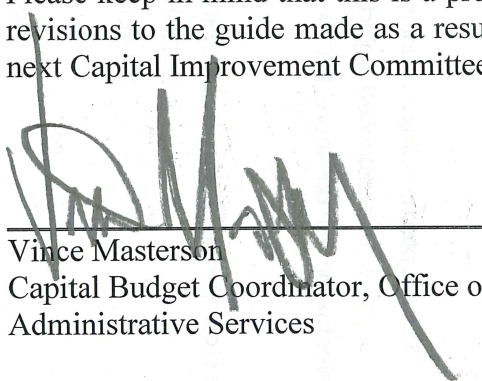
From: Vince Masterson, Capital Budget Coordinator; Office of Performance, Strategy and Budget, Department of Administrative Services

Subject: Preliminary Financing Goals for the 2016-2020 Capital Improvement Plan

Attached you will find a table outlining the preliminary financing guide (guide) for the 2016-2020 Capital Improvement Plan. The guide provides an estimated total amount of capital project costs the County can incur (per budget year) based on the following assumptions:

1. Adherence to the annual bonding cap of no more than 3% over the previous year's General Obligation bond issue. Pursuant to 2015 Adopted Capital Budget language, the 2016 Bonding Cap of \$43,857,599 assumes a 2015 Bonding Base of \$42,580,193.¹
2. 20% Cash financing goal for the County's share of each capital improvement project.
3. Capital projects that are continuing from a previous year, programmatic, and/or projects that the County is contractually or legally obligated to fulfill are included.

Please keep in mind that this is a preliminary guide and is subject to modification. Any revisions to the guide made as a result of such changes, will be given to members at the next Capital Improvement Committee meeting.



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

Attachment

¹ Total General Obligation bond financing included in the 2015 Adopted Capital Budget is \$51,734,665. County Board amendment 1B002 created capital project WP481 as part of the 2015 Capital Budget process and included bond financing of \$9,154,472. However, the amendment also included language stipulating: "the calculation of the 2016 bonding cap shall not include the bond financing included in this project." As a result, the 2015 Bonding Base assumed for the 2016 Bonding Cap calculation is reduced from \$51,734,665 to \$42,580,193.

Table 1 - Estimated Available County Financing for Capital Projects (Excludes All Airport (WA) Projects and Airport Fleet Equipment (WO) Projects)

	<u>2015 (Adopted BASE)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Bond Cap (2015 Adopted Excludes \$9,154,472 for WP481)	\$42,580,193	\$43,857,599	\$45,173,327	\$46,528,527	\$47,924,382	\$49,362,114
20% Cash Financing Goal	\$11,347,858	\$10,964,400	\$11,293,332	\$11,632,132	\$11,981,096	\$12,340,528
CAP PRJ COST (CNTY):	\$53,928,051	\$54,821,998	\$56,466,658	\$58,160,658	\$59,905,478	\$61,702,642
Less REQ On-going and Committed Project:		(\$15,645,899)	(\$15,270,618)	(\$7,663,000)	(\$100,000)	(\$100,000)
Less REQ On-going Programmatic Projects:		(\$14,477,662)	(\$15,625,574)	(\$13,729,346)	(\$13,037,521)	(\$10,965,000)
Available Financing for Capital Projects		\$24,698,437	\$25,570,466	\$36,768,312	\$46,767,957	\$50,637,642

Table 2 - Preliminary Departmental Capital Project Requests (estimated County Share of Project Costs)

	<u>2015 (Adopted)</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
TOTAL Capital Project Requests (Less REQ Ongoing/Committed/ Programmatic Projects):	\$53,928,051	\$31,856,143	\$51,963,087	\$36,334,809	\$33,734,444	\$42,806,848

Estimated County Financing Available/(Shortfall):	\$0	(\$7,157,706)	(\$26,392,621)	\$433,503	\$13,033,513	\$7,830,794
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Assumptions:

Table 1-

1.) The actual, unadjusted 2015 Adopted Bonding amount is \$51,734,665. However, the 2016 calculated Bond Cap is based off an adjusted amount that reflects the exclusion of approx. \$9.1M of Park's-related bonded projects, pursuant to 2015 Adopted Budget language. Airport projects are not included as they funded separately. Cash financing includes sales tax, private donations, PFC, and Tax Levy.

2.) 2016 - 2020 figures are projections based on the following assumptions:

i.) CAP PRJ (CNTY) is a product of dividing the EST Annual Bond Caps by 80%. This, in turn, results in the 20% Cash Financing through the Years 2016-2020.

ii.) The Annual Increase for CAP PRJ COST (CNTY) is 3%.

Table 2-

1.) 2015 (Adopted) represents the Adopted capital projects, while years 2016-2020 reflect the requested projects after adjusting for the ongoing/committed/programmatic project request.