



Milwaukee County

Legislation Details (With Text)

File #: INF 11-79 **Version:** 1 **Name:** Reconciliation of Road Project Funding through 2012 and Future Road Project Funding Needs (Informational Only)

Type: Informational Report **Status:** Placed on File

File created: 2/14/2011 **In control:** County Clerk

On agenda: **Final action:** 3/17/2011

Title: From the Director, Department of Transportation and Public Works, submitting an informational report regarding the reconciliation of road project funding through 2012 and future road project funding needs. (Referred to the Committees on Transportation, Public Works & Transit and Finance & Audit) (INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)

Sponsors:

Indexes:

Code sections:

Attachments: 1. ATTACHMENT, 2. CB Resolution 11-140, 3. Audio TPWT 03/02/11, 4. Audio F&A 03/10/11

Date	Ver.	Action By	Action	Result
3/17/2011	1	Milwaukee County Board of Supervisors	RECEIVE AND PLACE ON FILE	Pass
3/10/2011	1	Finance and Audit Committee	DISCUSSED WITH NO ACTION TAKEN	
3/2/2011	1	Transportation, Public Works and Transit Committee	RECEIVE AND PLACE ON FILE	Pass
3/1/2011	1	Board Chairman	Assigned	
2/16/2011	1	Board Chairman	Assigned	

From the Director, Department of Transportation and Public Works, submitting an informational report regarding the reconciliation of road project funding through 2012 and future road project funding needs. **(Referred to the Committees on Transportation, Public Works & Transit and Finance & Audit) (INFORMATIONAL ONLY UNLESS OTHERWISE DIRECTED BY THE COMMITTEE)**

POLICY

The Department is providing an informational report about the status of scheduled road projects and funding necessary to complete these projects for 2011, 2012, and 2013.

BACKGROUND

In 2009, Milwaukee County was in the unique position of accelerating its traditional year-to-year bonding program to a three-year program in order to take advantage of low interest rates available through the Build America Bond Program. In addition, the American Reinvestment and Recovery Act (ARRA) program was introduced providing funding for projects that were construction ready. While these two programs have been helpful in getting projects completed, it has exposed some long standing funding issues within the Transportation Services Division. It has also highlighting significant issues with how the Transportation Services Division must commit local funds for projects that may not get state funding approval.

The Transportation Services Division is dependent on state funded programs to offset the costs associated with

design, right-of-way acquisition and construction. Based on established rules for these state and federally funded programs available to the county, the state will fund 80% of design, right-of-way and construction of a Surface Transportation Program funds (STP) project, and 50% of a County Highway Improvement Program (CHIP) funded project. In order for the County to receive reimbursement for STP related projects, an agreement must be in place with the State. If the County were to perform this work prior to having a signed agreement, the County would absorb all costs associated for the work done before the agreement was signed.

The County's budget timeframe requires Transportation Services to make its best guess on what projects will be funded by the State before these amounts are known or agreements are in place. In addition, the State may ask the County to re-prioritize a road project based on other construction projects in the area. The conflicting funding schedules of the State and County has lead to funds being transferred from projects that have been approved by the County to those that have been approved by the State in order to maximize non-County project dollars. While this process has happened over a significant period of time and has been sustainable with year-to-year capital budgets, it has not provided a high level of certainty to public officials that projects expected to be done based on County authorized budgets may not get done based on the project's funding status from the state.

The availability of \$8 million in ARRA funds in 2009 allowed the County to accelerate a number of projects into construction that otherwise would have been scheduled in future years when funding was made available under the STP process. In turn, this accelerated road projects meant for future years of the STP program into the design, right-of-way acquisition and construction phases in order to meet the schedule of bond issuances established in the three-year capital program. These projects were put into the County's bonding program without knowing which projects the State may fund; however, work was not started until funding for these projects was secured. In February of 2011 SEWRPC released the list of projects eligible for STP funding. The projects that the County had put forward for funding of S. 13 South County Line to Ryan Road, S. 13th Street Ryan Road to Rawson Avenue, Layton Avenue from Loomis to 27th Street and College Avenue S. 27th Street to S. 51st Street were not chosen for funding.

In order to maximize state and federal funds that will lapse at the end of the year, the Department is requesting a funding shift from certain projects in order to cover others. These projects are identified on the attachment to this report. In addition, the Department is requesting additional bonding. The two projects that are at greatest risk are Mill Road 84th to 91st and 43rd to 56th and Oklahoma Avenue 108th to 76th Street. Both projects are financed under the CHIP program requiring a 50% county match.

The Oklahoma Avenue 108th to 76th Street project is scheduled to go into construction this year. It has \$1,443,510 in CHIP funds that are set to expire on September 30, 2011. This project was accelerated because the City of Milwaukee is doing major water main construction in this road segment. A total of \$2,548,381 of CHIP funds are available for this project. Milwaukee County needs \$2,507,819 of funding in order to meet the construction need of \$6,500,000 for this project phased over 2011 and 2012.

Mill Road is at a 90% complete level in design. The project total for design and construction is \$2,573,860. DTPW is requesting that funds from Port Washington Road, Daphine to Good Hope are shifted to support this project. We are requesting a shift in funding because the pavement on Port Washington Road is in better condition then Mill Road.

Finally, there are sufficient funds remaining from other projects to repair 107th Street from County Line Road to Brown Deer Road. County funds from S. 13th Street County Line to Ryan Road, 13th Street Ryan Road to Rawson Avenue, Layton Avenue from 27th Street to Loomis Road and College Avenue 27th to 51st Street will be shifted to this project since State funding was not provided for these projects.

The Department has submitted a fund transfer for the March 2011 cycle requesting the appropriate changes be made to fund the previously identified projects.

RECOMMENDATION

This report is informational and is provided to help better understand the current funding situation of road projects for 2011 and 2012. The Department is in the process of formulating a policy change to how road and bridge projects are funded in the future and anticipates providing this policy change to the board for approval in the 2012 budget process.

Prepared for the Transportation Services Division by: Brian Dranzik Director of Administration, DTPW

Approved by:

Jack Takerian, Director
Transportation and Public Works

Cc: Marvin Pratt, County Executive
Lee Holloway, Chairman, Milwaukee County Board of Supervisors
Terry Cooley, Chief of Staff
E. Marie Broussard, Deputy Chief of Staff
John Ruggini, Interim Fiscal and Budget Administrator
Pam Bryant, Capital Finance Manager
Justin Rodriguez, Capital Finance Analyst
Josh Fudge, Fiscal Management Analyst
Martin Weddle, County Board Research Analyst
Rollin Bertran, Director Highway Operations
Ben Eruchalu, Manager of Transportation Design