

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: June 27, 2007

TO: All Department Heads

FROM: Cynthia Archer, Fiscal and Budget Administrator

SUBJECT: 2008 Requested General Obligation Capital Improvement Projects Exceed Bonding Cap

We have completed our initial review of capital budget requests. The request submitted for general obligation bond financing total approximately \$68.5 million. The debt management policies for Milwaukee County currently place a ceiling of \$30 million on the 2008 General Obligation bond issue. After accounting for estimated issuance costs of \$275,000, the 2008 bonding amount available for all general obligation projects totals \$29.7 million. Submitted requests exceed this cap by over \$38 million.

In light of the magnitude of the requests we need to work to bring the sum of the requests more in line with the 2008 bonding cap. I am seeking your assistance and input in accomplishing this. With this goal in mind, I am asking each department head to revisit the projects you have submitted for consideration in 2008 with an eye towards scaling back your requests. Specifically, I am asking department heads to review the attached listing of projects for your department and 1) identify those projects that can be delayed for consideration until the 2009 budget process and 2) assign priority rankings to projects that you deem critical for consideration in 2008. In establishing priorities, please make note of projects that meet one or more of the below criteria.

To facilitate your review, the attached provides a listing of those projects submitted by your department. Columns have been included for you to input a numerical priority ranking (with "1" being the highest priority), justification for the ranking and identification of projects that can be delayed. Be sure to comment on the below criteria as you establish your priorities.

- Capital improvements that address life safety or liability issues
- Capital improvements that address code compliance issues
- Capital improvements that are fully or primarily offset with non-County financing
- Capital improvements that result in significant cost-avoidance or operational efficiencies.
- Capital improvements that are essential for the continuation of core business functions.

Please return the attached completed document to Catherine Koper no later than July 13th.

In closing, I understand that this will require additional time of you and your staff and that this may not be an easy exercise. However, we will submit a recommended budget that is within the established bonding cap and I believe this to be an opportunity for you to have additional input

into the process. Once I have received these documents, I will share them with the County Executive. Additional meetings with the Executive and DAS staff will occur over the summer with the attached submittals forming the basis for those discussions.

Please do not hesitate to call me if you would like to further discuss this.

Cynthia Archer
Fiscal and Budget Administrator

pc: Scott Walker, County Executive
Rob Henken, Director, Department of Administrative Services
Ed Eberle, Deputy Chief of Staff, County Executive's Office
Pamela Bryant, DAS Capital Finance Manager
James Martin, DAS Capital Finance Fiscal and Management Analyst
Molly Pahl, Assistant Fiscal and Budget Administrator