

# The City of Pewaukee Spending Cap Committee Recommendations

2/5/07

The Pewaukee Spending Cap Committee recommends the following revisions should be made to the current ordinance:

I. The Committee recommends that the existing cap of 10 million should be adjusted.

**I-A** The Committee recommends that this ordinance should not be a spending cap on public works or other utility projects including support structures for those utility projects such as water storage tanks, water towers, or pump houses, nor to any emergency expenditures.

II The Committee recommends that the spending cap for capital spending projects defined as the total project cost for new or existing buildings, structures, land acquisition, including construction and all related site support work, landscaping and furnishings be set at \$5,000,000. Any capital-spending project above 5.0 million dollars should go to a referendum process. Furthermore, any capital-spending project above 2.0 million dollars should have a public information meeting held to allow public comment, and discussion with the City Council. (We want to note that it is not the intent to send out individual notices to every resident for this public information meeting, just the normal public notice rules and announcements and publishing would occur.)

III The Committee recommends that a 2.0 million dollar spending cap be established for road work that the City is paying for directly from the tax levy, and not apply to work that a developer is paying for directly, or reimbursing the City which would be tax levy neutral.

IV It was discussed that some form of control, or written guidelines should be established to help the City staff manage the building process, in terms of how a project budget is established, approved, and how changes in scope are addressed as a project moves forward.

VI The Committee recommends that the City develop and implement a well defined procedure and process for the cost estimating, planning, development, and full execution of all Capital Expenditures as follows:

**Step 1,** At the beginning of the long range planning process a Notice of intent is written to introduce the project. This would include the basic information defining the intended project.

**Step 2** Once a project is ready to move into an operational budget the City should Hire a consultant to create a program document defining the scope of work, size of the building, concept plans, concept estimates. The Committee recommends that if the project is of sufficient size to require the Public information meeting mentioned above, that it be held at the end of this step to allow citizens to discuss details of the project.

**Step 3** Continue the Architectural/Engineering process and complete the required bidding documents to hire a construction manager, or bid the project.

**Step 4** Finalize all approvals required and construct the project.

The Committee also recommends that the City establish guidelines of how a capital spending project is managed during construction in terms of the amount of contingency percentage to carry at each stage, as well as how a project progresses through the construction process, in particular how scope changes occurring after the design is completed are addressed.