

CITY OF MILWAUKEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEAR ENDED DECEMBER 31, 2010
 (unaudited)

Table 5
Capital Assets
 (net of depreciation)
 (Thousands of Dollars)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2010	2009	2010	2009	2010
Capital assets not being depreciated:						
Land	\$ 164,250	\$ 164,210	\$ 18,167	\$ 18,253	\$ 182,417	\$ 182,463
Construction in progress	40,839	26,513	18,095	14,897	58,934	41,410
Intangible right of ways	-	1,319	-	-	-	1,319
Capital assets being depreciated:.....						
Buildings	257,076	276,816	89,407	91,798	346,483	368,614
Infrastructure	1,377,383	1,450,918	802,717	861,200	2,180,100	2,312,118
Improvements other than buildings	11,687	11,811	7,717	7,771	19,404	19,582
Machinery and equipment	164,265	173,788	215,306	221,194	379,571	394,982
Intangible software.....	-	1,364	-	-	-	1,364
Nonutility property	-	-	5,509	4,692	5,509	4,692
Accumulated depreciation	<u>(1,085,505)</u>	<u>(1,121,235)</u>	<u>(361,726)</u>	<u>(381,906)</u>	<u>(1,447,231)</u>	<u>(1,503,141)</u>
Total	<u>\$ 929,995</u>	<u>\$ 985,504</u>	<u>\$ 795,192</u>	<u>\$ 837,899</u>	<u>\$ 1,725,187</u>	<u>\$ 1,823,403</u>

Debt

At year-end, the City had \$894 million in general obligation bonds and notes, \$81 million in State loans, and \$54 million in revenue bonds outstanding as itemized in Table 6.

New debt issued for general obligation bonds and notes totaled \$585 million of which \$75 million related to Water Works, Sewer Maintenance, Port, and Parking Enterprises.

The City continues to maintain high investment grade ratings from the three major rating agencies. A rating of AA+ from Fitch Ratings, AA from Standard and Poor's Corporation, and Aa2 from Moody's Investors Service, Inc, were received on the City's April 2010 general obligation bond issues.

The City's gross general obligation debt per capita, excluding enterprise fund debt, was \$1,155 at the end of 2009 and \$1,259 at the end of 2010; an 9% increase from the prior year. As of December 31, 2010, the City's outstanding net general obligation debt for governmental activities was 2.40% of the City's total taxable value of property. (Statistical Section - Table 9) The legal debt limit is 7% of equalized property value, including Milwaukee Public Schools debt, which also is issued by the City. Excluding the 2% limit on School debt, the City has a 5% legal debt limit and has used about 52% of this limit. The City issues general obligation notes to purchase a portion of General Fund delinquent taxes. During 2010, notes were issued in the amount of approximately \$29.9 million. Collections on these taxes and related interest will be used to meet the related debt service requirements.