

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: August 8, 2022

TO: Maricela Nicholson, Chairwoman, Milwaukee County Board of Supervisors

FROM: Joe Lamers, Director, Office of Strategy, Budget & Performance (SBP) *JOSEPH LAMERS*

SUBJECT: ARPA Revenue Loss Recovery Capital Project Recommendations

REQUEST

An action report requesting:

- 1.) Authorization of \$16,219,831 in ARPA funding for thirteen (13) non-bond eligible capital projects (Attachment A) that were requested by departments as part of the 2023 Capital Budget request process and two (2) projects that were not part of the 2023 Capital Budget request process.¹
- 2.) Authorization to reallocate existing budget authority of \$3,175,665 within (ARPA funded) capital project WY072601-Milwaukee County Digital Transformation Initiative (adopted County Board file #22-106) and create four (4) capital projects (Attachment B) reflective of the non-bond eligible projects as requested by the Department of Administrative Services (DAS) – Information Management Services Division (IMSD) as part of the 2023 Capital Budget request process (submitted as of the May 2022 deadline to SBP).

POLICY

Milwaukee County Board file 21-555: “A resolution to create a Task Force to review and recommend funding allocations to the Milwaukee County Board of Supervisors for monies received by the County in the Federal American Rescue Plan Act of 2021.”

BACKGROUND

ARPA Funding Allocation to Milwaukee County – Revenue Loss Recovery

Milwaukee County will directly receive \$183 million between 2021-24 in federal ARPA State and Local Fiscal Recovery Funds. The Task Force has allotted \$115.7 million of this allocation to the Revenue Loss Recovery subgroup for Fiscal Health projects.

To date, approximately \$85.6 million of Task Force recommended operational and capital projects have been adopted by the Milwaukee County Board of Supervisors (Board) as of its last July 2022 Board meeting. This leaves approximately \$30.1 million (of the original \$115.7 million) of ARPA Revenue Loss category funding available for allocation.

¹ GENERAL AGING SR CENTER PROJECTS (\$500,000) and the COURTHOUSE 7TH FL REMODEL (\$750,000) were not included as part of the 2023 Capital Budget Request process.

ARPA Funding Allocation to Milwaukee County – WY072601-Milwaukee County Digital Transformation Initiative

Adopted County Board file #22-106 established ARPA funded capital project WY072601-Milwaukee County Digital Transformation Initiative including \$500,000 for the purpose of establishing a digital transformation assessment project and \$10,000,000 to effectuate the roadmap of projects. The \$10,000,000 is currently held within the capital project’s contingency account and is to be released upon the County Board’s review and approval of the projects cited in IMSD’s digital transformation assessment plan (plan). IMSD is currently in the process or working on this plan and it has not yet been submitted to the County Board for review/approval.

2023 Capital Budget Request

As part of the 2023 Capital Budget Request process, 60 projects totaling \$36.8 million in non-bond eligible projects was submitted by departments. Non-bond eligible projects require other means of “cash” financing from the County. The cash financing primarily consists of sales tax and tax levy. Additionally, the County adheres to a capital cash-financing goal of 20% based off the annual Net County Funding Contribution for Capital. The estimated capital cash financing goal for 2023 is just under \$11.5 million.

Non-bond eligible projects at consistently and significantly outpace the County's cash financing resources. Given the fiscal challenges facing the operating budget and assuming relatively flat revenue growth as well as annual cost to continue increases, shifting additional cash resources from Operating Budget services towards cash capital projects will be difficult now and into the future.

| Cash Funding Gap (Excluding Airport) | | | |
|---|--------------|-----------------|---------------------------|
| <i>BUD YR</i> | <i>REQ</i> | <i>ADOPTED*</i> | <i>as % of Total REQs</i> |
| 2019 | \$30,085,532 | \$11,476,492 | 38.1% |
| 2020 | \$31,783,042 | \$11,600,094 | 36.5% |
| 2021 | \$48,452,372 | \$11,020,400 | 22.7% |
| 2022 | \$44,540,834 | \$7,914,736 | 17.8% |
| 2023* | \$36,782,815 | \$11,460,131 | 31.2% |

NOTE: 2023 ADOPTED column represents the 20% Cash Goal

2023 Capital Improvement Committee Requested Project Review

Pursuant to Milwaukee County Ordinance (Chapter 36), the Capital Improvement Committee (CIC) is responsible for the establishment of capital project scoring criteria (see Attachment B) and prioritization of the projects.² Using the CIC criteria, capital projects are reviewed and scored from late May through about Mid-June. In July, the CIC sends an ADVISORY listing of capital projects (see Attachment C) to the County Board and County Executive in August to assist policy makers with development of the capital budget.

The CIC generally meets 3 times during the budget development process. The first meeting is to review the initial project requests and forecasted County funding. The 2nd meeting is to review the completed scoring of projects by the CIC sub-committee. Department staff attended the second meeting to provide additional information to the CIC members. **A number of projects included in this ARPA funding request (Attachments A and B) were identified (during the second CIC meeting) as significant projects by the requesting departments. Additionally, most of the projects address safety, deferred maintenance and/or functionality issues.**

² To determine available funding for capital projects, the CIC adheres to the County Bonding Cap and Cash goal policies.

Recommended Projects

The following table shows a list of projects that are being recommended for ARPA funding. As indicated, most of these projects address safety, deferred maintenance, or functionality issues. Projects have been identified as a high priority by departments. Most projects were reviewed during the 2023 Capital Improvements Committee process, with the exception of two projects as noted. For additional project details, see Appendix A (non-IMSD) and Appendix B (IMSD).

| REQ DEPT | Project Name | Amount |
|-----------------------|--|---------------------|
| DAS-FM-FM | WC022801-CH COMPLEX SECURITY TECHNOLOGY WY062508-Courthouse Complex Security Technology | \$3,180,605 |
| DOT-TRANS SRV | WH025901-MCDOT TRANS SERV LAPHAM OFFICE RELOCATION WY085402-MCDOT Transportation Services Lapham Office Relocation | \$830,950 |
| OEM | WO033901-TORNADO SIRENS WY010701-OEM Tornado Sirens | \$1,665,283 |
| OEM | WQ020401-800 MHZ MICROWAVE BACKHAUL REPLACEMENT WY010702-800 MHZ Microwave Backhaul Replacement | \$3,588,433 |
| OEM | WQ030401-COUNTYWIDE EMERGENCY MEDICAL DISPATCH WY010703-Countywide Emergency Medical Dispatch | \$226,609 |
| HOC | WJ011401-HOC SAN FOR CRITICAL VIDEO STORAGE CAPACITY WY072606-HOC SAN For Critical Video Storage Capacity | \$406,648 |
| ME | WO026501-MEDICAL EXAMINER CASEMANAGEMENT SOFTWARE WY011802-Medical Examiner Case Management Software | \$1,154,160 |
| Parks | WP066301-FUEL INVENTORY MANAGEMENT SYSTEM WY012310-Fuel Inventory Management System | \$695,047 |
| DAS-FM-EE | WV006701-LAKE MICHIGAN BLUFF REPAIRS WY062509-Lake Michigan Bluff Repairs | \$267,850 |
| Courts/DAS-FM | TBD-COURTHOUSE 7TH FL REMODEL WY062510-Courthouse 7th Floor Remodel | \$750,000 |
| AGING/DAS-FM | WS011601-CLINTON ROSE FAÇADE UPGRADE WY045601-Clinton Rose Facade Upgrade | \$1,998,720 |
| AGING/DAS-FM | WS011101-WILSON SENIOR CENTER ACCESS LIGHTING WY045602-Wilson Senior Center Access Lighting | \$232,380 |
| AGING/DAS-FM | WS011601-WASHINGTON SENIOR CENTER ACCESS LIGHTING WY045603-Washington Senior Center Access Lighting | \$244,627 |
| AGING/DAS-FM | WS011201-CLINTON ROSE CENTER MULTIPURPOSE RM FIRE-SEPARATION WY045604-Clinton Rose Center Multipurpose Room Fire Separation | \$478,519 |
| AGING/DAS-FM | TBD-GENERAL AGING SR CENTER PROJECTS WY045605-GENERAL AGING SR CENTER PROJECTS | \$500,000 |
| TOTAL NON-IMSD | (see appendix A for non-IMSD project details) | \$16,219,831 |
| IMSD | WI020201-END USER DEVICE LIFECYCLE- WY072602-End User Device Lifecycle | \$1,400,000 |
| IMSD | WI020801-WIRELESS INFRASTRCTR COUNTY BUILDINGS - PHASE 2 WY072603-Wireless Infrastructure County Buildings - Phase 2 | \$250,000 |
| IMSD | WO054701-ENTERPRISE DATA & ANALYTICS - PHASE 1 WY072604-Enterprise Data and Analytics - Phase 1 | \$965,000 |
| IMSD | WI020401-HR BENEFITS SYSTEM WY072605-HR Benefits System | \$560,665 |
| TOTAL IMSD | (see appendix B for IMSD project details) | \$3,175,665 |

**Project was not reviewed in 2023 Capital Improvements Committee process (2)*

RECOMMENDATION

Authorization to fund fifteen (15) capital projects totaling \$16,219,831 in ARPA Funds.

Authorization to reallocate (ARPA funded) budget authority of \$3,175,665 (from the capital project’s contingency) in existing capital project WY072601-Milwaukee County Digital Transformation Initiative to create four (4) IMSD projects. Adoption of these projects would leave a balance of \$7,324,335 within the capital project. Although IMSD continues to work on their plan (which has not yet been submitted for review/approval to the County Board), staff has indicated its support of funding the four projects from existing capital project WY072601-Milwaukee County Digital Transformation Initiative.

PREPARED BY:

Office of Strategy, Budget & Performance

ATTACHMENTS:

Appendix A: Proposed ARPA Funded Project Listing – Non-IMSD (September 2022 committee cycle)

Appendix B: Proposed ARPA Funded Project Listing – IMSD (September 2022 committee cycle)

Appendix C: CIC Scoring Criteria

Appendix D: CIC Advisory Listing of Capital Project