

COUNTY OF MILWAUKEE

Inter-office Communication

DATE: 2/18/2022
TO: Marcelia Nicholson, Chair, County Board of Supervisors
FROM: Donna Brown-Martin, Director, Department of Transportation
SUBJECT: Authorization to Accept American Rescue Plan Act Assistance from the State of Wisconsin and Amend Funding for 2022 Transit Operating Budget & Capital Project WT0152
FILE TYPE: Action Report

REQUEST

Authorization to accept ARPA assistance from the State of Wisconsin, amend funding for bus purchases, and approve an administrative transfer.

POLICY

Wisconsin Statute 59.52(31) requires County Board approval for state and federal contracts exceeding \$300,000.

BACKGROUND

The 2021-2023 Wisconsin Biennial budget includes a \$32,738,900 reduction in the 2022 Section 85.20 Urban Mass Transit Operating Assistance to Milwaukee County (85.20). The state subsequently agreed to provide American Rescue Plan Act (ARPA) operating assistance in the amount of \$19,797,794 to partially offset the reduction in 85.20 funding. The balance of the 85.20 reduction is being covered by use of additional federal COVID relief funds.

The Milwaukee County 2022 Adopted Capital Budget includes project WT0152 for the purchase of 60 clean diesel buses. Budgeted funding includes \$25.44 million from various federal grants and \$6.36 million from state ARPA funds to cover the required 20% local share. Unfortunately, the Milwaukee County Department of Transportation (MCDOT) has been advised that the state ARPA funding may only be used for operating expenditures. Furthermore, there is currently no funding or expenditure authority for the required (federal) inspections, and the per-bus cost is slightly higher than estimated. The increase in vehicle cost necessitates a reduction in the number of vehicles purchased from 60 to 59.

To address the situation, MCDOT is requesting the following actions:

- Increase state revenue in transit operating by \$19,797,794
- Reduce federal revenue in transit operating by \$13,382,819
- Reduce vehicle registration fee (VRF) revenue in transit operating by \$6,414,975

- Reduce overall expenditure authority in WT0152 by \$25,126
 - Shift \$75,000 in expenditure authority within WT0152 from equipment to consulting fees
- Reduce federal revenue in WT0152 by \$6,440,101
- Increase VRF revenue in WT0152 by \$6,414,975

ALIGNMENT TO STRATEGIC PLAN

3B: Enhance the County's fiscal health and sustainability.

RECOMMENDATION

The Director of the Milwaukee County Department of Transportation requests authorization to recognize the state ARPA funding of \$19,797,794 in the transit operating budget, reduce the federal revenue by \$13,382,819, and that the Department of Administrative Services and the Office of the Comptroller be authorized to process an administrative fund transfer to implement the actions requested in this report.

Overall transit local funding levels will not be altered from the adopted budget by approval of this request.

FISCAL EFFECT

The requested actions will change the makeup of the 2022 transit operating budget revenues, but the total operating revenues are unchanged. The expenditures and revenues in WT0152 are both reduced by \$25,126. No additional local funds beyond what is already authorized in the 2022 Adopted Milwaukee County Budget are being requested.

TERMS (If applicable)

N/A

VIRTUAL MEETING INVITES

Donna Brown-Martin, Director, Department of Transportation
Julie Esch, Deputy Director, Department of Transportation

PREPARED BY:

Anthony Geiger, Grants Development Manager, MCDOT Director's Office

APPROVED BY:

Julie Esch, Deputy Director

Donna Brown-Martin
Director, Department of Transportation

ATTACHMENTS:

Resolution/Ordinance, Fiscal Note, Administrative Fund Transfer

cc: Kelly Bablitch, Chief of Staff, County Board of Supervisors

Janelle M. Jensen, Legislative Services Division Manager, Office of the County Clerk